



# THE HANOI ACTION PLAN 2018-2022

MARCH 2018



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#### Photos on the front cover:

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*Top row, from left:* Trucks passing through Asian Highway 131 (Route 12); a view of Highway No. 12 linking the eastern and western parts of Thailand; A logistics center inspection and quarantine facility in the People’s Republic of China; boats transporting tourists to Phong Nha National Park.

*Middle row, from left:* The 1,070-megawatt Nam Theun 2 hydropower plant along the Nam Theun River in the Lao People’s Democratic Republic exports 95% of the power it produces to Thailand, while the rest are consumed locally; the construction of two cable-stayed bridges across the Mekong River under the Central Mekong Delta Region Connectivity Project provide efficient access from Ho Chi Minh City to the southern coastal region; the visitors’ center at the Nam Theun 2 hydropower plant; the Tsubasa Bridge, which opened in 2015, is along Cambodia’s National Road No. 1 that connects Phnom Penh to Ho Chi Minh (photo by Mardy Suong).

*Bottom row, from left:* Sompong Visetsin (*left*), a cooling systems and refrigeration teacher, and her students at the Champasak Technical and Vocational Education and Training Institution; the 8.3 kilometer long Nhat Tan Bridge, also called the Viet Nam–Japan Friendship Bridge, is a cable-stayed bridge crossing the Red River; the Vo Nguyen Giap Expressway that runs from Ha Noi to Noi Bai International Airport was completed on 4 January 2015; Wang Shilin is checking power generation operations in a plant in the People’s Republic of China; the Bo Aung Kyaw Port is an important entry point for goods into Yangon; young women engineers at a construction site in Naypyidaw, Myanmar.

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# ABBREVIATIONS

ADB	Asian Development Bank
ASEAN	Association of Southeast Asian Nations
CBTA	Cross-border Transport Facilitation Agreement
CEP	Core Environment Program
CEP SFAP	Core Environment Program Strategic Framework and Action Plan
ECF	Economic Corridors Forum
EWEC	East–West Economic Corridor
GMS	Greater Mekong Subregion
GMS-SF	Greater Mekong Subregion Strategic Framework
HAP	Ha Noi Action Plan
HRD	human resource development
ICT	information and communication technology
Lao PDR	Lao People’s Democratic Republic
MTCO	Mekong Tourism Coordinating Office
MTR	midterm review
NSEC	North–South Economic Corridor
PRC	People’s Republic of China
RCI	regional cooperation and integration
RIF	Regional Investment Framework
RIF-IP	Regional Investment Framework–Implementation Plan
RKC	Revised Kyoto Convention
RPT	regional power trade
SASRAP	Strategy for Promoting Safe and Environment-Friendly Agro-based Value Chains in the Greater Mekong Subregion and Siem Reap Action Plan
SEAP	safe and environment-friendly agriculture products
SEC	Southern Economic Corridor
SEZs	Special Economic Zones
SFAP	Strategic Framework and Action Plan
SMEs	small and medium enterprises

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SOM	Senior Officials Meeting
SPS	sanitary and phyto-sanitary standards
TA	technical assistance
TFWG	Trade Facilitation Working Group
TrSS	Transport Sector Strategy
TSS	Tourism Sector Strategy
TTF	transport and trade facilitation
UDSF	Urban Development Strategic Framework



# EXECUTIVE SUMMARY

The Ha Noi Action Plan 2018–2022 (HAP) reflects the Greater Mekong Subregion (GMS) Program’s agenda for the remaining 5 years of the GMS Economic Cooperation Program Strategic Framework 2012–2022 (GMS SF-II). The GMS SF-II was endorsed at the 17th GMS Ministerial Conference in August 2011 and adopted at the 4th GMS Summit in the same year. The conduct of a midterm review (MTR) of GMS SF-II was endorsed by the 21st Ministerial Conference in December 2016 with the objectives of (i) assessing the progress made so far and the work that remains to be done; (ii) determining the GMS Program’s continued effectiveness and responsiveness based on the GMS countries’ development needs and priorities; and (iii) identifying the emerging thrusts at the program and sector levels.

The MTR focused on five assessment areas with the following key findings:

- **Continued relevance of the GMS SF-II in supporting national priorities.** The GMS SF-II remains relevant and responsive to the GMS countries’ development agenda. Transport and economic corridor development were considered by the GMS countries to be the most beneficial areas of cooperation, as these directly support their industrialization, economic diversification, and value chain integration strategies.
- **Consistency between sector strategies and overall GMS Program strategy.** On the whole, the overall GMS SF-II strategies and sector strategies are aligned, i.e., they are positioned relative to each other toward achieving the same goals. A review of the project portfolio, however, indicates that some sector priorities were supported more strongly than others.
- **Implementation performance.** The implementation performance across sectors was mixed. The strong sector performers were transport, tourism, agriculture, and environment. The energy and trade facilitation sectors made incremental but slow progress. Urban development is still at the initial stages of operationalizing its strategic framework. The human resource development sector recently went through a process of rationalizing cooperation modalities in its four subsectors. Cooperation in information and communication technology (ICT) has not progressed in the absence of an updated strategy, although the private sector-led e-commerce platform has reported some results.
- **Planning and programming processes.** The GMS Program does not have a well-defined planning and programming process. The timeframes of sector strategies vary; goals are not defined in measurable terms; and results monitoring has not been fully developed and operationalized. The Regional Investment Framework (RIF)—the planning framework for project identification and prioritization—has

had limited effectiveness because of its limited project coverage (i.e., mostly projects funded by the Asian Development Bank [ADB]). Prioritization criteria has focused mainly on financing availability, and undercounting of projects occurs in some sectors.

- **Institutional performance.** The GMS institutional mechanisms remain effective and have been responsive to the demands of delivering on sector goals. Specialized bodies have been formed at the sector level (e.g., Greater Mekong Railway Association, Regional Power Trade Coordination Center, Mekong Tourism Coordinating Office). New working groups have been established in health and urban development (replacing the Urban Task Force which initially served as a platform to exchange information and upgraded to a working group tasked to develop and implement the urban strategic framework). Beyond participation in GMS meetings, the private sector has been engaged in concrete initiatives. There is encouraging evidence of partnerships with stakeholders, including with community-based groups, occurring at the project level. ADB's role as lead financier and central secretariat has been cited as one of the core strengths of the GMS Program.

The MTR concluded that the strategic thrusts of GMS SF-II remain relevant, and the member countries recognize the value-addition of the GMS Program. However, the rapidly evolving regional and global landscapes require the GMS Program to reposition and refine itself to be more effective.

Based on the recommendations of the MTR, the Ha Noi Action Plan (HAP) 2018–2022 was prepared and discussed at the 22nd GMS Ministerial Conference in Viet Nam on 20 September 2017. The HAP provides the directions and operational focus for the remaining 5 years of the GMS SF-II. It lays down both the unfinished and expanded agenda for the medium term. The HAP also guides the RIF, which identifies the pipeline of GMS projects. The HAP has four key elements:

- (i) **A spatial strategy focused on economic corridors.** GMS economic corridors are considered as a network, instead of as independent individual corridors. Multisector area plans for priority areas along the corridors (clusters of urban areas and border areas) will be prepared. There will be a better balance of external connectivity with domestic connectivity to foster a more equitable distribution of the benefits of growth.
- (ii) **Refinements in sector strategies and operational priorities.** These are summarized below:
  - (a) **Transport:** Promote intermodal links, transport facilitation, logistics development, road safety, and asset management.
  - (b) **Urban development:** Focus on urban systems as part of spatial planning on a GMS wide basis, linking urban areas.
  - (c) **Energy:** Power market integration remains a priority and focus will be on grid-to-grid power trade between any two countries and later through transmission lines of third countries.
  - (d) **Agriculture:** Promote the value-chain approach to safe and environment-friendly agriculture products.

- (e) **Environment:** Pursue ecosystem-based service approach to landscapes in the GMS Program and the RIF, and in international frameworks.
- (f) **Tourism:** Improve quality and visitor experience, develop secondary tourism destinations, and develop human resources through competency-based training linked to standards of the Association of Southeast Asian Nations.
- (g) **Trade facilitation:** Prioritize customs modernization, coordinated border management, and risk-based approaches to sanitary and phyto-sanitary standards.
- (h) **Human resource development:** Focus on subregional health issues and engage other development partners in labor and migration, social development, and technical and vocational training.
- (i) **Information and communication technology:** Promote ICT applications, address digital divides, and foster ICT innovations.
- (iii) **Improvements in planning, programming, and monitoring systems and processes.** These include:
  - (a) developing guidelines for sector plans and strategies;
  - (b) identifying quantitative goals and developing results monitoring framework;
  - (c) improving the RIF coverage, principles, and processes to ensure that GMS projects support HAP priorities, and that the RIF includes projects by GMS governments, ADB, and development partners; and
  - (d) pursuing a more systematic approach to resource mobilization.
- (iv) **Enhancements in institutional arrangements and partnerships.** These cover:
  - (a) empowering national secretariats to take greater responsibility in coordinating the GMS Program;
  - (b) designating a country lead or coordinator for sector working groups, and allowing flexible institutional arrangements outside of the formal structures (ad hoc experts groups, networking, peer exchanges); and
  - (c) strengthening the role of the Senior Officials Meeting as an oversight and coordination body for the working groups.

In terms of partnerships, the private sector will be encouraged to participate in the sector working groups in specific initiatives (e.g., investments in supply chains, special economic zones, and industrial parks, and in public–private partnership schemes in health and education); as well as increase collaboration with local governments and local communities.

Several factors will determine successful delivery of results under the HAP. These factors must be consciously harnessed, managed, and mainstreamed into the process of executing the HAP so that they become “enablers” for goal attainment. These “enablers” include (i) generating synergies with the Association of Southeast Asian Nations and other regional initiatives, (ii) effective private sector engagement, (iii) innovative approaches to project design and institutional arrangements, (iv) technology-enabled processes, and (v) knowledge linkages and use.

# I. INTRODUCTION

Twenty-five years of cooperation under the Greater Mekong Subregion (GMS) Program have witnessed the evolving cooperation and partnership among the six countries that share the Mekong River. In 1992, Cambodia, the People's Republic of China (PRC), the Lao People's Democratic Republic (Lao PDR), Myanmar, Thailand, and Viet Nam established the GMS Economic Cooperation Program and requested the Asian Development Bank (ADB) for support. It was not until 2002 that the Building on Success: A Strategic Framework for the Next Ten Years of the Greater Mekong Subregion Economic Cooperation Program (GMS SF-I) was adopted covering the period 2002–2012. It was succeeded by the Greater Mekong Subregion Economic Cooperation Program Strategic Framework 2012–2022 (GMS SF-II), for which a midterm review (MTR) has been conducted. This Ha Noi Action Plan 2018–2022 (HAP) reflects the GMS Program's agenda for the remaining 5 years of GMS SF-II based on the findings of the MTR, as well as the new thrusts and operational priorities of sector strategies. It builds on past achievements and lessons learned, and charts the way forward to address the emerging development challenges through regional cooperation.



# II. THE GREATER MEKONG SUBREGION STRATEGIC FRAMEWORK 2012–2022: AN OVERVIEW

## A. Goals and Strategic Directions

The Greater Mekong Subregion Economic Cooperation Program Strategic Framework 2012–2022 (GMS SF-II) was endorsed at the 17th GMS Ministerial Conference in August 2011 and adopted at the 4th GMS Summit in the same year. It succeeded Building on Success: A Strategic Framework for the Next Ten Years of the Greater Mekong Subregion Economic Cooperation Program (GMS SF-I), which came 10 years after the establishment of the GMS Program in 1992. The GMS SF-I marked the growing complexity of the GMS Program as it ventured into more challenging areas compared to the more cautious approach during the GMS Program's first 10 years. When the GMS SF-II was formulated, the momentum for economic integration among the Association of Southeast Asian Nations (ASEAN) was at its height, providing impetus for the GMS countries to accelerate trade and investment liberalization, and take advantage of opportunities in an expanding regional market. Market connectivity was paramount as GMS countries focused on linking with Asia's most vibrant economies through regional cooperation.

The GMS SF-II reaffirmed the relevance of the vision and goals of GMS SF-I (Box), and committed to build on the progress made in previous years to bring cooperation to the next level. To do this, the following six-pronged approach would be pursued:

- (i) greater focus on software to complement the continued focus on hardware;
- (ii) greater selectivity and prioritization of focus areas within sectors, including a greater focus on issues that are clearly regional in nature;
- (iii) closer link to the broader regional integration agenda, leading to more clarity on which regional issues should be covered by the GMS Program and which ones are better left to other regional organizations;

### **Box: Goals of the Greater Mekong Subregion Strategic Framework**

- Strengthen infrastructure linkages
- Facilitate cross-border trade and investment, and tourism
- Enhance private sector participation and competitiveness
- Develop human resources
- Protect the environment and promote sustainable use of shared natural resources

Source: ADB. 2002. *Building on Success: A Strategic Framework for the Next Ten Years of the Greater Mekong Subregion Economic Cooperation Program*. Manila.

- (iv) more attention on the linkages across different sectors;
- (v) rebalancing resources without changing the broad sector focus of the program and bearing in mind organizational capacities and the potential for achieving real results across the sectors; and
- (vi) stronger and more effective emphasis on monitoring results and on other improvements in program implementation that will help enhance its overall effectiveness and impact.

The GMS SF-II adopted, as its core strategy, a spatial orientation that expands the concept of an economic corridor beyond its role as a transport and transit route. Under this expanded concept, the approach to developing economic corridors would include (i) urban development to widen the corridor space for connecting markets and exploiting agglomeration effects; (ii) development of special economic zones and industrial parks at the borders and along corridors as vehicles for private sector investment; and (iii) development of transport and logistics services to enhance links with trade gateways and make markets function more efficiently. These comprised the “second generation” investments envisaged under the GMS SF-II.

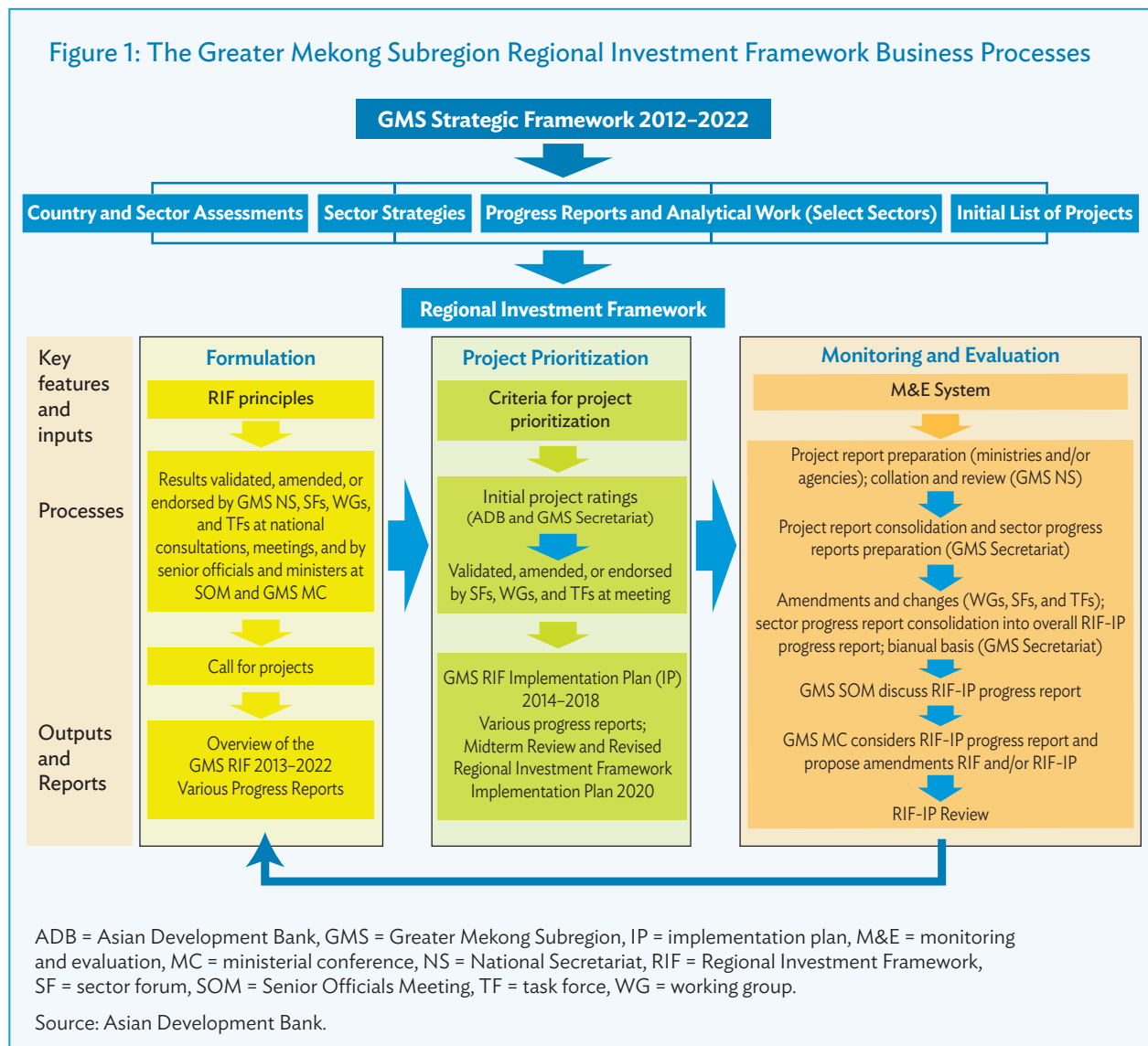
## B. The Regional Investment Framework

A Regional Investment Framework (RIF) was formulated as a companion document to the GMS SF-II. The RIF was envisaged as a planning framework to guide the formulation and prioritization of programs and projects that would translate sector strategies into action. The formulation of the RIF was supported by rigorous sector and country assessments to provide a solid basis for identifying the required interventions to support sector objectives. The RIF process allows the GMS countries to review and refine the pipeline of projects in the GMS Program regularly and continuously, as required by the dynamic nature of developments in the subregion (Figure 1).

The inclusion of projects in the RIF was guided by the following principles:

- (i) **Investments in economic corridors must be demand-driven.** In the past, the GMS took a supply-driven approach for economic corridor development under the notion that building roads will automatically translate into economic activity. The lesson learned is that this has not, and will not work.
- (ii) **External connectivity at the border must be balanced with domestic connectivity.** While cross-border land-based connectivity is important to trade, domestic connectivity provides important links along the supply chain and could therefore be equally beneficial.
- (iii) **A multisector approach should be promoted for greater synergy.** This refers not only to multisector investments in a spatial context (e.g., the mix of transport, power, water, and sanitation projects in urban development), but also to the mix of hardware and software or policy issues (e.g., the regulatory framework for power trade that should accompany grid interconnections), as well as institutional mechanisms for effective coordination.

- (iv) **Spatial prioritization should be used based on sound criteria.** In view of limited investment resources, spatial prioritization and temporal sequencing within and across economic corridors should be adopted as a means to optimize investments and deliver meaningful impact. Spatial prioritization can be guided by national priorities, regional impact, and economic costs and benefits.



The first RIF covering the period 2013–2022 contained a long list of more than 200 investment and technical assistance projects to support the GMS SF-II strategies. This was later transformed into a medium-term pipeline called the RIF Implementation Plan (RIF-IP) covering the period 2014–2018, and later extended up to 2020. The RIF-IP reflected a shorter list of projects based on the RIF 2013–2022 long list, prioritized based on a set of criteria and guidelines. A RIF-IP midterm review was conducted in mid-2016, which also came up with an updated list of prioritized projects up to 2020 that was endorsed by the 21st GMS Ministerial Conference in December 2016. Another round of updates would extend the period coverage to 2022, coinciding with the end-year of the GMS SF-II.





# III. THE MIDTERM REVIEW OF THE GREATER MEKONG SUBREGION STRATEGIC FRAMEWORK 2012–2022

## A. Objectives

The conduct of a midterm review (MTR) of the Greater Mekong Subregion Economic Cooperation Program Strategic Framework 2012–2022 (GMS SF-II) was endorsed by the 21st Ministerial Conference in December 2016 with the objectives of (i) assessing the progress made so far and the work that remains to be done; (ii) determining the GMS Program's continued effectiveness and responsiveness based on the GMS countries' development needs and priorities; and (iii) identifying the emerging thrusts at the program and sector levels. The results of the MTR would inform the directions and operational focus for the remaining 5 years of the GMS SF-II to be embodied in the Ha Noi Action Plan (HAP) 2018–2022.

The MTR focused on five assessment areas: (i) the continued relevance of the GMS SF-II strategies in supporting national priorities; (ii) the consistency (or fit) between overall strategy, sector, or program strategies, and projects; (iii) implementation performance during 2012–2016; (iv) planning and programming processes; and (v) institutional performance.

## B. Major Findings

### 1. Relevance of the Greater Mekong Subregion Economic Cooperation Program Strategic Framework 2012–2022 (GMS SF-II) to the National Development Agenda

Although national development plans and strategies have evolved in terms of priorities and strategies since the formulation of the GMS SF-II in 2012, there remains a broad convergence between country priorities and the GMS strategic thrusts, which provides a role for all sectors. Transport and economic corridor development was considered by the GMS countries to be the most beneficial area of cooperation, as they seek to industrialize and diversify their economies and integrate with regional value chains. Other sectors of importance are tourism, agriculture, and energy. The GMS countries rated the GMS Program's relevance as moderate to high.

### 2. Alignment of the Overall Greater Mekong Subregion Economic Cooperation Program Strategic Framework 2012–2022 (GMS SF-II) Strategy, Sector Strategies, and Regional Investment Framework Projects

On the whole, the GMS SF-II strategies and sector strategies are aligned, i.e., they are positioned relative to each other toward achieving the same goals. The RIF projects supported sector priorities for the most part, but some priorities have not been addressed.

Sector priorities that were strongly supported by both investment and technical assistance projects in the RIF were in the following:

- (i) **Transport:** road alignments within the economic corridors and links to gateways;
- (ii) **Urban Development:** border economic zones, widening economic corridors and multisector linkages;
- (iii) **Energy:** regional power integration and interconnection;
- (iv) **Agriculture:** agribusiness centers in corridors, and agriculture supply chains;
- (v) **Tourism:** tourism-related infrastructure in economic corridors;
- (vi) **Trade facilitation:** application of sanitary and phyto-sanitary (SPS) measures for selected GMS countries; and
- (vii) **Human resource development health subsector:** communicable disease control.

Sector priority areas where there were very few or no projects were multimodal transport, particularly rail links; trade logistics; renewable energy and energy efficiency; exchange of traffic rights arrangements; and coordinated border management.

### 3. Implementation Performance

The assessment of implementation performance was based on (i) project information in the RIF (projects completed, commenced implementation, including for feasibility studies, and projects with mobilized financing); and (ii) sector assessments (including sector midterm reviews).

Implementation performance of projects included in the RIF showed a mixed picture. The MTR of the RIF-IP reported that 56% of the projects listed in RIF 2014–2018 have secured financing, representing 85% of estimated total costs. Of the investment projects, 30% have commenced implementation, of which 14 are in the transport sector. Of the feasibility studies that commenced for another 18 projects (30%), 14 are also in the transport sector. In terms of implementation, it may be too early to assess the performance of the RIF projects due to the time required for preparation of investment projects and the long gestation period of their implementation.

Sector assessments provided a more comprehensive picture of sector performance in relation to the GMS SF-II goals and priorities, as highlighted below.

**Transport.** Implementation of all 36 priority transport investment projects under the Transport Sector Strategy 2015 have been substantially completed or are ongoing. Road projects in particular, have registered good performance, including transport sector projects in the RIF-IP for 2014–2018. Nearly 10,000 kilometers of road have been built with ADB's financial support in GMS countries from 2002 to 2016. Progress in the rail and inland waterways subsectors however, has lagged behind. Efforts to establish an open market for transport services, improve transport efficiency, and encourage the use of multimodal transport has also made little progress. The development impact of GMS road projects has been modest on account of the slow implementation of the Cross-Border Transport Facilitation Agreement (CBTA) resulting from complexities of the required policy and regulatory reforms.<sup>1</sup> Incremental progress however, continues to be made. In 2015,

<sup>1</sup> ADB. 2014. *Assessing Impact in the GMS: An Analysis of Regional Cooperation Projects*. Manila.

the single-stop inspection (SSI) scheme was operationalized in the Lao Bao–Dansavanh border, and in Savannakhet–Mukdahan. Similar SSI schemes are being planned for other border crossing points in the GMS. More recently, the GMS countries launched the “early harvest” implementation of the CBTA whereby up to 500 GMS road transport permits would be issued by all countries in 2017, except for Myanmar, which is expected to do so in 2019.

**Economic Corridor Development.** Significant progress has been made in developing the three GMS priority economic corridors: the East–West Economic Corridor, North–South Economic Corridor, and Southern Economic Corridor. The strategy and action plans (SAPs) for these three corridors were implemented by up to around 85%.<sup>2</sup> Road projects in these corridors have been completed or nearing completion and tourism infrastructure projects are progressing well. In 2016, ministers from the GMS countries approved changes in the configuration of the GMS economic corridors to ensure that there is a close match between corridor routes and trade flows; GMS capitals and major urban centers are connected to each other; and the corridors are linked with maritime gateways. A new subcorridor was added to the North–South Economic Corridor linking Mandalay to Tamu at the border with India to promote links with South Asia. This is part of the India–Myanmar–Thailand Trilateral Highway Project linking India to Thailand through Myanmar.

#### **Urban Development, Border Economic Zones, and Other Multisector Spatial Projects.**

The urban sector is a new area of cooperation envisaged to play a central role in the strategy to widen and deepen the scope of economic corridors and promote multisector investments. A subregional approach to urban development was seen as a means to promote intercity flow of goods within the region, promote rural–urban integration, and create agglomeration effects by increasing the size of economically viable areas to create scale economies, attract investments, and stimulate innovation. Urban development initiatives have focused so far on corridor towns and cities along the GMS economic corridors, where interventions consisted mostly of environment infrastructure such as drainage, sanitation, solid waste management, and public gardens. Under the Urban Development Strategic Framework 2015–2022, other priority urban centers as well as priority border points along the GMS economic corridors will be identified for the subsequent preparation of spatial plans for these areas.

**Energy.** Progress in setting up an integrated regional grid and regional power market continues to be constrained by technical, regulatory, and institutional challenges. GMS countries have reached stage 1 involving bilateral power interconnections and are moving to stage 2 on grid-to-grid power interconnection, although with limited progress. Several constraints need to be addressed to accelerate stage 2, including the operationalization of the Regional Power Coordination Center (RPCC), which would play a key role in moving forward on technical, pricing, and regulatory issues. Other areas of energy cooperation set out in the Energy Sector Strategy are not very promising in terms of GMS cooperation. There is limited opportunity for GMS cooperation in oil and gas because GMS countries are already engaged in these sectors through their participation in ASEAN. Energy efficiency and demand side management are being handled more effectively at the national level through the enforcement of regulations on audits, labeling, and standards.

<sup>2</sup> ADB. 2017. *GMS Transport Sector Strategy 2018–2030*. Manila.

Progress in renewable energy has been modest, with only a small number of off-grid renewable energy projects being implemented so far.

**Agriculture.** The current strategy for GMS cooperation in agriculture, the Core Agriculture Support Program Phase II 2011–2015, was extended to 2020. It focuses on food safety and agriculture trade modernization; climate-friendly agriculture; and bioenergy and biomass management. Within these focus areas, noteworthy progress has been made in the areas of drought mitigation, utilization of biomass for bioenergy, promotion of climate-friendly and gender-sensitive agronomic practices, and adoption of the value-chain approach to safe food. Investment projects are also being prepared to support cross-border infrastructure to promote agriculture trade; agribusiness value-chains through market access roads; storage, aggregation, and logistics facilities; and regional information technology-based traceability and certification systems. The value-chain approach to safe food has emerged as an area of focus in the next 5 years. The Strategy for Promoting Safe and Environment-Friendly Agro-based Value Chains in the Greater Mekong Subregion and Siem Reap Action Plan 2018–2022 will further expand cooperation in food safety and agriculture trade modernization by connecting safe and environment-friendly agro-based products value chains through infrastructure, knowledge sharing, marketing, and institutional development.

**Environment.** Under the Core Environment Program (2012–2016, extended to 2017) or CEP 2, important outputs were generated in the areas of environmental planning and safeguards; biodiversity landscapes monitoring; climate change adaptation in biodiversity corridors; and enhanced collaboration with GMS working groups in tools and models application, strategy formulation, awareness raising, knowledge sharing, stakeholder engagement, sector and country diagnostics, and project design. CEP 2's extension to 2017 enabled the program to redirect its interventions from community-level tasks to influencing programmatic interventions at national and transboundary levels. This strategic refocus has led to new intervention areas. The CEP has increased support for multisector planning tools and approaches to improve environmental performance of RIF investments, including environmental criteria for spatial planning of infrastructure in the border areas of the three GMS priority economic corridors. The CEP also continued to seek opportunities to support sector diagnostics and project design to mainstream environment in energy, transport, and agriculture sectors.

**Trade Facilitation.** Trade facilitation activities under the Transport and Trade Facilitation Action Plan 2015–2017 have made some initial achievements: (i) implementation of the Revised Kyoto Convention standards in customs reforms, together with customs information technology-enabled systems for customs documents simplification and standardization; (ii) coordination of border management with initial application of risk-based controls; (iii) launch of single stop or single window inspection for goods traffic at selected border crossing points; and (iv) measures to enhance SPS arrangements for GMS trade that were implemented as part of investment projects in Cambodia and the Lao People's Democratic Republic. Considering the complexity of institutional coordination and regulatory reforms required to implement trade facilitation measures, effective institutional mechanisms both at the national and regional levels will be crucial to the pace and success of implementing trade facilitation measures. A revitalized Trade Facilitation Working Group (TFWG) will be key to developing the trade facilitation agenda beyond 2017.

**Tourism.** The Tourism Sector Strategy 2006–2015 (TSS I) aimed to develop the Mekong subregion as a single tourist destination, and offered a diversity of quality tourism products that could distribute tourism benefits more widely and contribute to poverty reduction, gender equality, and sustainable development. Guided by this strategy over the past 10 years, the GMS realized significant improvements in destination marketing, tourism infrastructure focused on linking rural and urban areas, protection of heritage sights, and travel facilitation. In 2015, the share of long-haul markets visiting the GMS was recorded at 30% and the share of multicountry trips in the GMS reached 3.4 million. Capacity building for tourism stakeholders in government and the private sector was conducted as part of the strategy to strengthen supply chains to meet industry demands. The institutional framework for tourism—the Mekong Tourism Coordinating Office—was strengthened in preparation for it to become an intergovernmental organization. A comprehensive marketing plan for 2015–2020 was prepared involving all stakeholders.

**Human Resource Development.** The Human Resource Development Strategic Framework and Action Plan 2013–2017 (SFAP) highlighted the need to focus on activities that are truly regional in nature for four human resource development (HRD) subsectors: health, education, labor migration, and social development. Experience in SFAP implementation indicated that other than the health subsector, the scope for a GMS subregional approach to HRD is more limited than the ASEAN’s (and ASEAN Plus One with the People’s Republic of China [PRC]) regional approach to HRD. In the health subsector, significant progress has been made in the area of communicable disease control at both national and subregional levels. Projects in the education subsector focusing on technical and vocational education and training consisted mainly of national interventions that catered to the unique characteristics and needs of the domestic labor markets. GMS cooperation in higher education is happening under the ASEAN framework through regional approaches in the areas of academic credit transfers, quality assurance, and mutual recognition. There is a lack of progress in the area of labor migration, and only capacity building activities on HIV/AIDS prevention have taken place as part of social costs mitigation for economic corridor development. The GMS countries, however, continued to benefit from a comprehensive capacity building initiative that succeeded the GMS Phnom Penh Plan for Development Management. Through the Brunei Darussalam–Indonesia–Malaysia–Philippines East ASEAN Growth Area, the Indonesia–Malaysia–Thailand Growth Triangle, and the Greater Mekong Subregion Capacity Building Program for Connectivity (B-I-G) Program, the capacities of government officials from the three subregions are being improved to develop and implement policies, programs, and projects in support of physical, institutional, and people-to-people connectivity. The B-I-G Program has also provided opportunities for officials from the three subregions to interact and learn from each other.

**Information and Communication Technology.** The long-term goal of subregional cooperation in telecommunications is to improve telecommunication linkages and applications among GMS countries as a means to enhance the competitiveness of the subregion. To achieve this goal, the Strategic Framework on Information and Communication Technology (ICT) Development in the GMS was endorsed in June 2011, but this has not been updated as envisaged in the GMS SF-II. A memorandum of understanding on the Information Superhighway Network was also signed in December 2011 involving joint construction of a broadband platform connecting the six countries and

providing the parameters for universal access to ICT applications. However, the recent focus on e-commerce cooperation, with the establishment of the GMS E-Commerce Cooperation Platform in June 2015, has resulted in some concrete achievements. With the objective of promoting cross-border e-commerce enterprises, the E-Commerce Platform has resulted in the establishment of the GMS Business Alliance, the development of GMS mobile applications on GMS logistics information, and the establishment of a website that includes incubation, training, and trading platforms. Strategic cooperation agreements have been signed by four e-commerce enterprises from the PRC, Myanmar, and Thailand. The PRC (Yunnan) Lancang–Mekong Subregional Economic and Trade Development Center serves as the platform’s focal point for the first 3 years until 2018.

#### 4. Planning and Programming Processes

**Planning Process.** Although the focal government agency for GMS cooperation in almost all GMS countries (except for the PRC) is the Ministry of Planning, the GMS Program does not have a well-defined regional planning process with clear institutional mandates. Ideally, the planning cycle should start with formulating the vision and mission; followed by the setting of measurable goals; establishing the strategies for attaining the goals, both at the overall program and sector levels; defining the interventions (programs and projects) needed to translate these strategies into action; monitoring implementation progress; and evaluating results. This cycle is plotted within a unified time frame or schedule. The GMS Program does not have such a well-defined planning cycle. The GMS SF-II retained the vision and basically refined the strategic thrusts of GMS SF-I. Both GMS SF I and II do not have clear and measurable goals. The same is true for several sectors where goals are stated mostly in qualitative terms, and where no results monitoring framework has been developed or operationalized.

**Programming and Prioritization.** During the MTR, several observations regarding the RIF’s processes and methodology were raised by the GMS countries:

- (i) the criteria for project prioritization, including “availability of financing” has skewed the sectoral composition of RIF projects and has limited the RIF’s usefulness as a marketing tool for generating funds from development partners and the private sector;
- (ii) ongoing projects at the start of the GMS SF-II should be included in the RIF considering that these projects were being implemented to support sector strategies that have been carried over from the GMS SF-I to the GMS SF-II;
- (iii) the RIF tends to be ADB-centric, with many sectors reflecting mostly (if not only) ADB-supported projects, to the exclusion of projects funded by the GMS governments and other development partners; and
- (iv) there is the possibility of “undercounting” since no distinction is made between multicomponent programs and single projects, which were both given a count of one each.

The recent RIF 2022 has addressed most of these observations and further improvements will be initiated as part of the regular updates.

**Monitoring and Evaluation.** Despite the GMS SF-II’s emphasis on results monitoring and evaluation, this has yet to be implemented fully. The agriculture and tourism sectors have

relatively well-developed monitoring and evaluation systems. Other sectors have not developed a results framework; some have included a results framework in their strategy document, but this has not been operationalized in the course of implementation. The lack of good information on results has not made evidence-based planning possible and has limited the opportunity to gain insights for improving future initiatives.

## 5. Institutional Performance

**Overall Institutional Framework.** Over the past 25 years, the GMS Program has established itself as one of the most stable and successful subregional cooperation programs in Southeast Asia. This is due in large part to the Program’s pragmatic and projects-driven approach that generated concrete achievements on the ground. The Study on Strengthening the GMS Institutional Framework<sup>3</sup> concluded that the overall institutional framework of the GMS Program—with its multitiered structure of summit, ministerial, senior officials, and working group meetings—has been effective. For the first time in 2017, the Economic Corridors Forum (ECF) was held back-to-back with the GMS Ministerial Conference for greater coordination at the policy level of sectoral and spatial approaches. ADB’s role as lead financier and secretariat has been a key factor in developing and implementing strategic interventions through investment and technical assistance projects, leveraging resources from governments and other development partners, and sustaining the momentum of cooperation.

**Sector Working Groups.** Adjustments at the working group level were found necessary to respond to emerging priorities and developments in the GMS Program environment. The Greater Mekong Railway Association was established in 2014 as a specialized body, separate from the Subregional Transport Forum, with the objective of ensuring that all GMS countries are connected to a railway network by 2020, promoting the development of a seamless rail network, and developing the institutions and procedures needed to integrate the national railways. The Task Force on Urban Development was upgraded into a full-fledged Urban Development Working Group in 2016, with the mandate to flesh out the Urban Development Strategic Framework 2015–2022 in terms of identifying priority urban centers and border areas to be developed.

In 2017, the institutional arrangements for HRD cooperation was rationalized with the establishment of a separate Working Group on Health Cooperation to facilitate the subregional health initiatives, and explore possible collaboration on labor and migration as well as technical and vocational education and training with the International Organization on Migration and the Deutsche Gesellschaft für Internationale Zusammenarbeit that have specialized programs in these areas. These actions effectively restructured the Working Group for Human Resource Development. Efforts are continuing to transform the Mekong Tourism Coordinating Office into an intergovernmental organization, funded fully by the GMS governments, and with full juridical and legal personality, to serve as the secretariat of the Tourism Working Group and Mekong Tourism Forum. The Mekong Tourism Coordinating Office serves as the vehicle for promoting tourism cooperation among the government, private sector, development partners, and civil society organizations.

Adjustments in institutional mechanisms for transport and trade facilitation and energy sectors are being considered. For transport and trade facilitation, the narrow focus of the

<sup>3</sup> ADB. 2016. *Study on Strengthening the GMS Institutional Framework*. Manila.



CBTA implementation mechanisms, (i.e., the National Transport Facilitation Committees and the Joint Committee) has not made it possible to address the broader trade facilitation agenda outside the CBTA. This includes customs modernization, customs automation, SPS measures, coordinated border management, and the role of the private sector involving complex procedures and multiple agencies. The reactivation of the TFWG, which has been dormant since 2007, will need to consider a more prominent role for Customs and SPS agencies to secure their buy-in and support of the broader trade facilitation agenda. Two subgroups (on customs and SPS) are proposed to be created under the reactivated TFWG. The reactivated TFWG will need to define the scope of its functions in relation to the CBTA institutional framework and the coordinating arrangements with other GMS bodies such as the Subregional Transport Forum and the ECF.

For the energy sector, given the limited progress of GMS cooperation in the areas of oil and gas, clean coal, renewable energy, and energy efficiency, the role and sustainability of the Subregional Energy Forum would need to be revisited. In the meantime, the Regional Power Trade Coordinating Committee has been performing well in its role as the institutional mechanism specifying the rules to govern subregional power trade. It has created two working groups—on regulatory issues and performance standards and grid codes—which are interim bodies, until such time that their functions can be absorbed by the RPCC when it is fully established as an intergovernmental entity with legal status. The establishment and full operationalization of the RPCC is therefore an immediate priority for the GMS to move forward on power market integration.

**Multisector and Spatial Coordination Mechanisms.** The spatial orientation and multisector approach of the GMS SF-II is a strategy that seeks to bring greater focus, coherence, and more efficient sequencing of interventions in a given space for greater impact. The institutional mechanism for this approach, however, remains largely underdeveloped, with the ECF and the GMS Governors' Forum primarily serving as platforms for coordination and information sharing. The spatial orientation envisaged in the GMS SF-II, which expands corridors into networks of cities and towns (as opposed to point-to-point connectivity) will have to explore more responsive mechanisms to deal with diverse stakeholders at the national, state or province, and local levels, with the mandate to design, implement, and manage projects. The study on strengthening the GMS institutional framework recommended the restructuring of the GMS Governors' Forum to various corridor-specific forums, and/or bilateral forums in which the provincial governors and local private sector of contiguous provinces will have common interest and shared concerns. The role of local governments will be particularly important because they are direct beneficiaries and participants of spatial planning. The institutional mechanisms will also have to forge effective partnerships with the private sector, both upstream and downstream, at the planning stage and throughout implementation. Experiences from other regions in the world can provide a source of innovative ideas in the design of area-based institutional mechanisms. An area-based institutional framework to be developed for the GMS, however, should be customized based on the unique circumstances of particular areas where, given two or more countries, there could be marked differences in the level of political commitment, degree of local autonomy, and nature of development issues and constraints to be addressed.

**Partnerships with Community-Based Groups, Small and Medium Enterprises, and Industry.** There is encouraging evidence that partnerships with stakeholders, including community-based groups, have been incorporated in project interventions in some sectors, notably in agriculture, environment, trade facilitation, and tourism. Agriculture sector projects have successfully piloted grassroots schemes such as a participatory guarantee systems, an organic peer certification procedure for small-scale farmers; and letters of agreement among small producers involving the piloting of climate-friendly and gender-sensitive agronomic practices. In the environment sector, the low carbon freight corridor initiative has involved the participation of small and medium enterprises (SMEs) engaged in trucking, including drivers' training on eco-driving. Tourism, as an industry-driven sector, has taken multistakeholder approaches that involve tourism service providers, the hospitality industry, tourism and urban planners, transport experts, heritage specialists, and social and environmental specialists, among others. The annual Mekong Tourism Forum, a peak gathering of stakeholders in the tourism industry, presents an inclusive, interactive, and results-oriented opportunity to encourage public and private sector participation in promoting tourism in the GMS. In fact, the institutional framework for tourism represents a good example of stakeholder involvement at various levels and in different roles.

**Private Business Sector Engagement.** The private business sector continues to be a strategic partner in the GMS Program as evidenced by formal structures and processes that have been set up, such as the GMS Business Council; industry-specific organizations (e.g., the GMS Freight Transport Association); representation in GMS meetings and events such as the ECF; and participation in specific sector initiatives. For example, the project on strengthening partnerships between customs and the private sector has engaged the private sector in conducting a business perception survey on trade facilitation constraints. Capacity building under this project also included a customs brokers' training on risk management-based practices under the Revised Kyoto Convention. The private sector is more active in the PRC, Thailand, and Viet Nam for several reasons. After years of development, the private sector in these countries is financially able to invest in GMS projects. On the other hand, due to the debt sustainability issue, especially in Viet Nam, the private sector has become more active in financing GMS infrastructure projects. Most of the economically viable GMS projects in Viet Nam, such as the Mong Cai–Van Don expressway, and the Lang Son Transit Zone, have been financed by the domestic private sector.

Multinational corporations have also been investing in many important GMS projects, especially in the development of special economic zones (SEZs) along the GMS corridors. The Savan–Seno SEZ in the Lao PDR along the East–West Economic Corridor is a good example of the increasing interest of multinational corporations in the potentials of the GMS Program to link GMS markets.

However, there is still scope for further deepening the engagement of the private sector, both domestic and international, at the level of working groups for governments to better understand the evolving needs of the business sector in specific areas and to integrate their perspectives and concerns in all GMS Program initiatives. Given the GMS countries' common objective to enhance participation in regional value chains, the establishment of industry-specific business networks could be explored at the subregional level, with links to GMS formal structures like the Senior Officials Meeting. In addition, private sector

investment could be encouraged in supply chains, and in SEZs or industrial parks that have been established at the borders or along the corridors. The private sector can be a partner in pursuing a greener path to competitiveness through, among others, decarbonizing industrial production, adopting sustainable agricultural practices, and promoting energy efficiency. An information sharing platform can be organized for this purpose. Given the demonstrated success globally of the private sector in efficiently delivering ICT services, and as demonstrated by the successful private sector driven-initiatives under the GMS e-Commerce Platform, tapping the private sector for developing ICT applications in various sector initiatives could be promoted, especially those associated with cross-border activities, using the Information Superhighway Network. The GMS Program also needs to be more effective in mobilizing private resources for public investment projects through public-private partnerships, especially in transport and energy infrastructure. Apart from being a source of finance, the private sector can also be a source of innovation in developing ecologically sensitive and socially responsible infrastructure.

**Development Partners Coordination.** Development partners have played an increasingly important role in the GMS Program as evidenced by their active participation at the Development Partners Forum held annually as part of the GMS Ministerial Conferences, especially at the level of working groups in the agriculture, environment, tourism, and to a lesser extent, transport and trade facilitation sectors. They have also shown interest in supporting private sector development and industry bodies. This is an area of partnership that could be further explored, including promoting linkages between the private sector in the GMS and third countries. The development partners have contributed a substantial amount of resources to the GMS Program. Of the \$20.7 billion total cost of 86 ADB-supported GMS investments (loans and grants) as of December 2017, 39% was provided by ADB, 35% by development partners; and 26% by the GMS governments. The amount would be higher if bilateral financing to the GMS governments is taken into account. There is scope for acknowledging the important contribution of development partners to the GMS Program by including, in a more systematic manner, the projects that they support in the RIF.

**Secretariat Functions.** The ADB's role as lead financier, honest broker, and coordinating secretariat has been cited as one of the strengths of the GMS Program. However, the planning focus and capacities of the GMS Secretariat should be enhanced as this role has become critical given the increasing complexity of issues that the GMS Program must deal with. Effective strategic planning depends on the quality of the analytical work, which in turn should support (i) the decision-making processes, (ii) the formulation of sector strategies, and (iii) the identification of potential regional projects. The knowledge products of the GMS should be action-oriented to support effective strategy formulation.

At the national level, the effective functioning of the national secretariat varies considerably. Staff shortage and staff turnover, competing work priorities, weak planning and coordination capacity, and financial constraints are among the major challenges faced by the national secretariats, albeit to different degrees. These capacity constraints notwithstanding, the idea of empowering the national secretariats to assume greater responsibility has been put forward to demonstrate greater country ownership of the GMS Program on its 25th year.

**Enhancements in the Greater Mekong Subregion Institutional Framework.** Empowering the National Secretariats could entail giving them the responsibility for coordinating the different stages of the GMS project cycle within the country and at the subregional level through the working groups. This arrangement would bring coordination closer to the ground and support the GMS countries' desire to focus on implementation and results monitoring. GMS countries could also take the lead in coordinating the sector working groups. These will affirm the GMS Program's maturity at a time when GMS countries are leveling up to higher development status with more complex needs and aspirations. ADB would remain as the central secretariat, but its role would be focused on providing knowledge products, finance, and mobilizing resources for the GMS priority projects.

Flexibility in the design of institutional arrangements should be encouraged. This implies that working groups may be configured differently—some continuing to function under present arrangements, while others transform into networks, ad hoc experts groups, or knowledge platforms—as specific circumstances warrant. The GMS countries may consider establishing coordination mechanisms along industry lines (industry-based working groups or forums), with active participation of the private sector, given that integration in regional and global value chains has emerged as a common theme in the national development agenda. The use of digital technology should be promoted (e.g., using mobile applications to facilitate the sharing of information, using interactive programs to update databases, conducting virtual meetings, etc.) to enhance efficiency and reduce operating costs.

## C. Midterm Review Conclusions, Recommendations, and Way Forward

The MTR has yielded a wealth of information on various facets of the GMS Program during the first 5 years of GMS SF-II implementation. Progress made on various sectoral initiatives is noteworthy, signifying the continued relevance and responsiveness of the GMS Program in supporting national development priorities. At the same time, the MTR was also able to detect process flaws and institutional weaknesses that may have impinged on the efficiency and effectiveness of program delivery. These weaknesses must be addressed as a matter of priority in the remaining 5 years of GMS SF-II, as new sector initiatives unfold amidst an increasingly complex environment of fast-paced integration and competition. A “business as usual” scenario may no longer hold for the GMS, if it is to continue playing a meaningful role in a dynamic Asia.

The following conclusions and recommendations are presented as the way forward.

The GMS SF-II continues to be relevant and responsive to the development priorities of the GMS countries, most especially in the areas of infrastructure connectivity and economic corridor development that bear directly on the common goal toward economic diversification and participation in regional and global value chains. The expanded concept of economic corridors as networks rather than as point-to-point connections makes it imperative for spatial development to be coordinated under a GMS-wide approach. Comprehensive spatial and multisector development plans should be prepared for clusters of priority urban centers and border points of strategic value at both national and

subregional levels. These comprehensive development plans will avoid random multisector interventions and will allow the full range of policy, institutional, economic, demographic, and social dimensions and their dynamics to be analyzed and brought to bear in policy and investment decisions.

The GMS should proactively seek linkages outside the subregion to leverage its internal connectivity and increased subregional integration, with opportunities for trade expansion in other markets. Road transport connectivity with South Asia is now more plausible with the opening of Myanmar and with the GMS economic corridors' westward routes being reconfigured and expanded. Other initiatives, such as the PRC's Belt and Road Initiative, are also providing expanded opportunities for the GMS to connect with other markets. Given its role as the principal facilitating institution in the subregion, the GMS Program should coordinate more effectively, not only with ASEAN, but with other initiatives initiated by member countries, such as the Belt and Road Initiative; some of the functional entities operating in the member countries, such as the Ayeyawady–Chao Phraya–Mekong Economic Cooperation Strategy; and other initiatives that involve Cambodia, the Lao PDR, Myanmar, and Viet Nam.

The trajectory for expansion outside the region makes it imperative for the GMS Program to balance its focus on road transport with an increasing focus on other transport modes. The development of rail connectivity and road–rail intermodal interface have been prioritized, but there is scope to further develop land–maritime transport interfaces, given that about 90% of GMS trade to external markets is maritime-based. The market for transport services also needs to be developed for the logistics industry, a vital component in global trade, to grow in response to increased demand.

Transport connectivity is making good progress, but transport and trade facilitation measures have not kept pace, thus limiting or postponing the benefits from infrastructure investments. Given the constraints that continue to stall the CBTA, notwithstanding incremental progress in its implementation, dedicated institutional mechanisms for customs and SPS should be set up under the purview of the TFWG. This would serve to focus and accelerate subregional cooperation in customs and SPS outside the CBTA framework, through common compliance with international standards and good practices prescribed by international conventions and agreements. Bilateral and trilateral transport facilitation agreements can also be useful to further liberalize the GMS transport markets.

Logistics development is key for enhancing the competitiveness of GMS economic corridors and promoting the GMS countries' integration into regional and global value chains. The participation of domestic and international private sector in logistics development is important to ensure the sustainability of logistics projects since logistics services is primarily demand-driven. Logistics development will require investments in value-adding activities to transport such as logistics hubs, dry ports, and storage facilities, among others, accompanied by policy, regulatory and institutional support.

The development of SEZs, especially in border areas along economic corridors, should be given special focus. SEZs will play an increasingly important role as investment locations that offer a competitive environment to support global supply chains. The competitive locational advantages of SEZs, combined with infrastructure and other facilities, fiscal

incentives, and access to input markets, allow them to cater to specific supply chain requirements of investors as they can facilitate the movement of goods and products. SEZs can also enhance a firm's comparative advantage through industrial clustering that links local specialized suppliers and vendors, including SMEs, with zone-based companies. The GMS Program's spatial strategy should take into account the strategic role of SEZs in enhancing opportunities for value chain integration.

E-commerce will be an important driver of economic growth and industry transformation, especially for SMEs, which can better benefit from reduced information search costs and transactions costs, thus improving overall operational efficiency, given the size and scale of SME operations. The activities so far of the GMS E-commerce Platform have yielded concrete results, and should be stepped up in the coming years. While the private sector is expected to take the significant role in the development and use of e-commerce, there is a need for more concerted efforts on the part of GMS governments to enable more enterprises to benefit from this innovation by providing the appropriate policy environment (i.e., paperless trading, online personal information protection, online consumer protection, intellectual property protection, etc.); and promoting e-commerce readiness among firms (e.g., promoting access to inexpensive and easy access to information networks).

As the GMS countries venture into becoming globally competitive suppliers of goods and services, quality and cost have become increasingly important. This entails the need to systematically link certain initiatives across sectors to deliver on these aspects. For instance, the GMS countries' bid to become the leading supplier of safe and environment-friendly agriculture products will require addressing the gaps in the safe and environment-friendly agriculture products value chain through infrastructure support, trade facilitation, logistics services, SPS measures, and sustainable agriculture practices. The GMS Program needs to set the appropriate mechanisms for linking interventions across sectors for strategic initiatives.

Improvements in the GMS planning and programming processes should be initiated through guidelines that will ensure alignment of goals, strategies, programs, and projects as well as the monitoring of progress and results. The guidelines should be able to specify the hierarchy of vision, mission, goals, strategies, and projects; provide appropriate guidance in all stages; instill overall discipline in the process; and promote better synchronization of timeframes between sector strategies and the GMS Program. The guidelines should also specify the institutional responsibilities at the national and subregional levels, including the nature of reporting required.

Results monitoring requires priority attention, as this important part of the planning cycle has not been implemented during the first half of GMS SF-II. Goals (or outcomes) at the program and sector levels need to be defined at the onset and in a SMART way (i.e., specific, measurable, attainable, relevant, and time-bound). Most sector strategies start with a vision statement, followed by an articulation of strategies without specifying the goals that the strategies seek to address. The Senior Officials Meeting, to which the working groups report, should ensure that all sectors clearly specify their goals as the starting point of results monitoring. Indicators of outputs and outcomes should also be specified. Sector working groups should be responsible for developing their respective results monitoring frameworks, with ADB providing technical support and advice.

The RIF's concept, process, and principles will have to be improved to enhance its effectiveness as a programming document. The strategic thrusts and operational priorities in the HAP would have to be integrated in the RIF's selection criteria to ensure that these are reflected in the GMS projects portfolio. This implies the need for a more universal coverage of the RIF to include ongoing projects that have been initiated as part of previous strategic frameworks, as well as planned projects under successor frameworks. As a living document, the RIF should be able to reflect changing priorities and the proper sequencing of projects. Projects funded by the GMS governments as well as by the development partners should also be included in the RIF.

Private sector participation in GMS structures, meetings, and events should graduate to private sector engagement in specific initiatives. Private sector engagement at the level of working groups should be encouraged, not only to better understand their perspectives and concerns in all GMS Program areas, but also to harness innovative approaches and solutions to development issues. While private sector finance for public investment projects (public–private partnerships) will continue to be promoted, other areas should be explored. The private sector can be a partner in pursuing a greener path to competitiveness and through innovations in environment-friendly and socially responsible infrastructure.

Enhancements in the GMS institutional mechanisms should be initiated. On its 25th year, the GMS Program has reached a high level of maturity to demonstrate, more concretely, its ownership and commitment. Institutional arrangements under the enhanced framework should be based on the principles of empowering the national secretariats, allowing flexibility in the type of institutional arrangements outside of the formal structures (e.g., ad hoc experts groups, networks, e-platforms), and increasing the use of technology-enabled processes for more efficient business operations. New arrangements may entail the GMS countries taking the lead role in sector working groups; and the Senior Officials Meeting exercising stronger oversight functions over the working groups, especially with regard to goal setting and results monitoring.

The foregoing findings and recommendations of the MTR are reflected in this HAP. Some of these have been embodied in the new thrusts and priorities of successor sector strategies. The HAP also reflects the unfinished agenda of the GMS SF-II, notably in the transport, urban development, energy, agriculture, environment, tourism, trade facilitation, HRD, and ICT sectors. Proposed process and institutional improvements are included under Section V on implementation.

# IV. REGIONAL AND GLOBAL DEVELOPMENTS AND CHALLENGES

The Greater Mekong Subregion Economic Cooperation Program Strategic Framework 2012–2022 (GMS SF-II) was formulated in the years following the 2008 global financial crisis, which showed Asia to be more resilient than the rest of the world despite the overall contraction in global trade. The GMS countries manifested the same resiliency through a combination of sound macroeconomic fundamentals and trade links with some of Asia's most vibrant economies via regional production networks. The global financial crisis taught an important lesson: that while export-led growth served developing economies well during the postwar period, the prospects of prolonged sluggish growth in the developed economies suggests a rebalancing toward domestic and regional markets. This requires deeper and more comprehensive structural reforms to boost domestic demand through public investments, competitiveness, productivity, and financial development to rechannel savings into productive investments. The crisis also identified the need to accelerate regional integration and trade liberalization to enlarge the size of markets, facilitate the movement of goods and services, and attract investments.

The medium-term economic outlook for the GMS is promising, building on steady growth since the postcrisis period, and buoyed by the effects of economic diversification into higher value-added activities in manufacturing, growth in the services sector, and reform of state enterprises, among others. While prospects are promising, there are challenges to be met to sustain and accelerate growth. Economic diversification will require improving both the supply and quality of labor. Reforms of educational and training institutions would be vital. Firm-level competitiveness, especially for small and medium-sized enterprises, must be developed. The challenges include managing inflation and the exchange rate, creating a conducive environment for business, and pursuing the path to eco-friendly growth. Urban development is needed to create the density required to generate economies of scale and attract investments that will entice knowledge, skills, and innovation. At the same time, social resilience must be supported through social protection systems to sustain and further enhance the gains in poverty alleviation and social inclusion.

The GMS economies' path to sustained recovery in the medium term will take place in the midst of important developments taking place in Asia. The Association of Southeast Asian Nations 2025 agenda has called for further deepening of integration initiatives. Comprehensive regional trade deals involving Association of Southeast Asian Nations and its major trading partners are being negotiated not only to promote increased trade, but also to reach understanding on the policy and governance dimensions of global value chains and the role of small and medium-sized enterprises. Another significant development is the massive mobilization of funds for infrastructure by the world's largest and fastest growing economies, which has been accompanied by the establishment of new multilateral banks,



private equity funds, and special bilateral funds for infrastructure. The People’s Republic of China’s Belt and Road Initiative and the Lancang–Mekong Cooperation—whose purposes are akin to that of the GMS Program—offer significant opportunities for the subregion and beyond to push forward even more strongly with its connectivity agenda. Meanwhile, in February 2017, Myanmar became the seventh member of the South Asia Economic Cooperation Program, paving the way for establishing greater and stronger links between South and Southeast Asia.

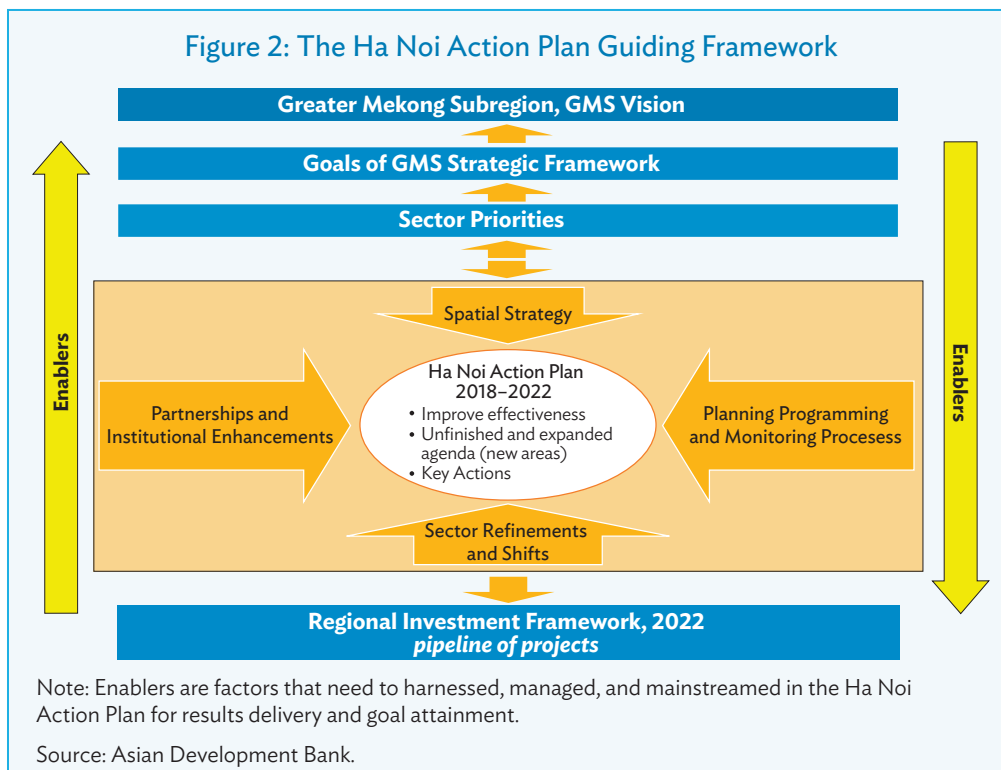
Two path-breaking global initiatives were launched in 2016, the Sustainable Development Goals; and the 2016 Paris Agreement under the United Nations Framework Convention on Climate Change, which entered into force in November 2016. They reflect shared global aspirations that can be achieved through systematic interventions at the national level and through regional cooperation. GMS countries have started “localizing” the Sustainable Development Goals through nationally determined commitments. The GMS Program’s focus on transport and market connectivity, climate change adaptation, communicable disease control, and food security and safety, among others, are inextricably linked, and can contribute in a meaningful way to the global development agenda. The evolving and highly challenging regional and global dynamic suggests a judicious and well-targeted approach to implementing the GMS Program strategies in the medium term.

# V. THE HA NOI ACTION PLAN 2018–2022

## A. Guiding Framework

The Ha Noi Action Plan 2018–2022 (HAP) builds on the progress made during the first half of GMS SF-II covering the period 2012–2017 (Figure 2). It lays down both the unfinished and expanded agenda for the medium term, based on the midterm review, and is envisaged to serve as the planning framework to guide project identification, selection, and prioritization for the Regional Investment Framework (RIF). Key actions reflecting strategic thrusts and operational priorities for each sector have been identified in the Appendix for this purpose. The HAP has four key elements:

- (i) a spatial strategy focused on economic corridors;
- (ii) refinements in sector strategies and priorities;
- (iii) improvements in the planning, programming, and monitoring systems and processes; and
- (iv) enhancements in institutional arrangements and partnerships.



## B. A Spatial Strategy Focused on Economic Corridors

The transformation of transport corridors into economic corridors has been a long-stated strategy of the GMS Program since GMS SF-I. Among the many lessons learned through the years is that economic corridors are not linear or point-to-point connections; that the transformation process is not necessarily sequential; and that while transport corridors is a starting point, infrastructure can only help to offset market forces toward divergence to a certain degree. It has been recognized that the development of economic corridors is a much more complex process that needs to consider the spatial dimensions of changes in social and economic structures that have resulted from economic growth and the subregion's increasing interconnectedness.

The reconfiguration in 2016 of the three priority GMS economic corridors was a response to the dynamic changes happening in the subregion, focusing on areas with the best potential to become fully functioning economic corridors, thus maximizing their contribution to increased incomes and employment. It adhered to the approach articulated in the GMS SF-II to widen and deepen the concept of economic corridors by linking them to cities and corridor towns as a means to establish urban–rural links, thus widening the distribution of benefits across lagging and progressive regions. Under the GMS SF-II, urban development became a priority area of focus, alongside the development of corridor towns, secondary cities, and border areas.

Over the medium term, the network of corridors, rather than individual corridors, will evolve as the spatial structure for identifying priority areas for major investments in the GMS.

This will involve two actions:

- (i) **Preparing multisector area plans for priority areas along the corridors (clusters of urban areas and border areas).** These plans will provide a more solid basis for investment decisions as well as soft interventions. They would focus not only on physical and urban infrastructure (transport, power, water, and sanitation), but also on policy-level interventions arising from urbanization (e.g., regulatory frameworks for land, housing and urban settlements, transport services, climate change mitigation and adaptation measures, etc.) as well as the policy initiatives needed to stimulate private sector engagement. Effective multisector planning will require a participatory process involving stakeholder participation in key areas like transport franchising, logistics services development, housing development, educational and health service providers, and financial services.
- (ii) **Balancing external connectivity with domestic connectivity for equitable distribution of growth.** This would require greater attention to developing rural–urban links that will support emerging strategies in developing food value chains, and developing secondary destinations in tourism. Strategies for area development should complement rural development which remains a challenge for the GMS countries.

From an institutional perspective, the GMS-wide approach to spatial planning will require a close interface between national and subregional spatial planning processes. This implies the need for collaborative cross-border platforms in the form of urban networks, industry clusters, and strategic business partnerships.

## C. Refinements in Sector Strategies and Priorities

The sector operational priorities for HAP were informed by successor sector strategies, outcomes of working group deliberations, sector and country consultations, and the midterm review. These operational priorities are envisaged to guide program and project programming for the RIF, and as such would form part of the RIF guidelines for project selection. For some sectors such as urban development, trade facilitation, and health, the operational priorities are still works in progress and would be incorporated in subsequent updates of the HAP or the RIF. The details of sector operational priorities, and the corresponding key actions, are in the Appendix.

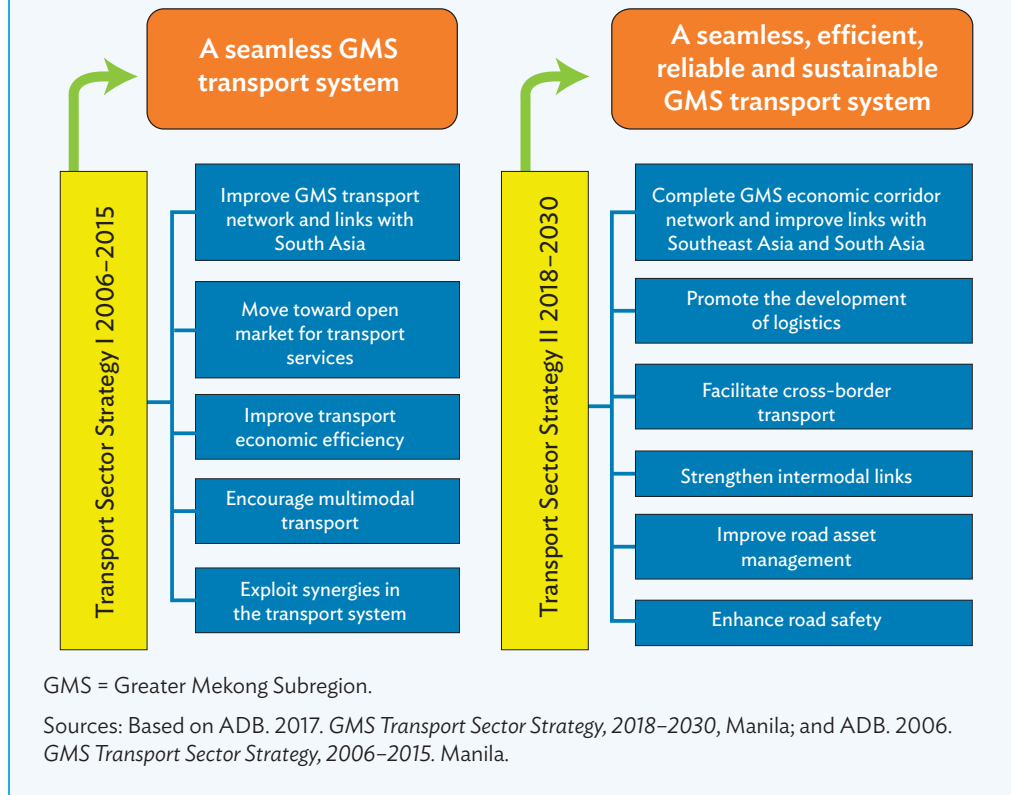
The successor sector strategies have begun to more clearly reflect many of the guiding principles articulated by the GMS SF-II. These are greater focus and selectivity, balance in hardware and software components, increasing attention to linkages across sectors, and cognizance of the broader regional integration agenda. Two major challenges in implementing the HAP are first, to ensure that these principles are also adhered to in the process of formulating the RIF to ensure that programs and projects are fully congruent with sector operational priorities; and second, for a results monitoring framework to be developed and operationalized fully, with specific institutional responsibilities identified at different levels of the GMS institutional framework.

### 1. Transport

The long-term vision of the Transport Sector Strategy 2030 (TrSS 2030) is that of a “seamless, efficient, reliable and sustainable Greater Mekong Subregion transport system.” This maintains the substance of the vision articulated in the Transport Sector Strategy 2015 (TrSS 2015) with the addition of “efficient,” “reliable,” and “sustainable” as the desired characteristics of the sector (Figure 3). The strategic thrusts of TrSS 2030 reflect the unfinished agenda of TrSS 2015 (economic corridor links, CBTA, road safety); a refinement in the approach to developing multimodal transport; and an expanded agenda covering logistics development and road asset management. These are as follows:

- (i) **Completing the transport corridor network and improving links with South Asia and Southeast Asia.** With road links under the original configuration of East–West Economic Corridor (EWEC), North–South Economic Corridor (NSEC), and Southern Economic Corridor (SEC) mostly completed, except for some sections of EWEC in Myanmar and SEC in Cambodia, efforts will focus on upgrading or rehabilitating the remaining gaps in the original alignment of EWEC and SEC; and new sections particularly in the Lao People’s Democratic Republic (Lao PDR) and Myanmar to address missing links and bottlenecks under the reconfigured economic corridors. To establish links with South Asia, a new subcorridor was added to NSEC linking Mandalay to Tamu at the border with India.

Figure 3: Vision and Operational Priorities of Transport Sector Strategies I and II



- (ii) **Facilitating cross-border transport.** This will involve accelerating and enhancing CBTA implementation, with immediate priority to the Early Harvest Program involving the issuance of about 500 GMS road transport permits. With the completion of most corridor links, transport facilitation has become more compelling to keep pace with improvements in physical infrastructure and realize the benefits from infrastructure investments.
- (iii) **Strengthening intermodal transport links.** Links between transport modes will be strengthened through the development of “intermodal chains” (e.g., improving port–highway–railway connections), reflecting a different approach taken under TrSS 2015, which promoted competition between modes.
- (iv) **Promoting the development of logistics.** Logistics development, as an integral part of transport infrastructure systems, will be promoted by encouraging investments in transport-related and value-adding facilities such as logistics hubs, international container or clearance depots, inland dry ports and cold storage complexes; helping to develop human resources in the logistics industry; and forging closer interface with the private sector. A GMS logistics strategy will be developed to expedite the process of integrating industries into regional and global value chains.
- (v) **Improving road asset management.** Regular and proper maintenance of transport networks will be promoted through a collaborative approach in financing of road

maintenance costs, enhancing road management systems, improving conduct of road maintenance work, and strengthening implementation of vehicle and axle overload control systems.

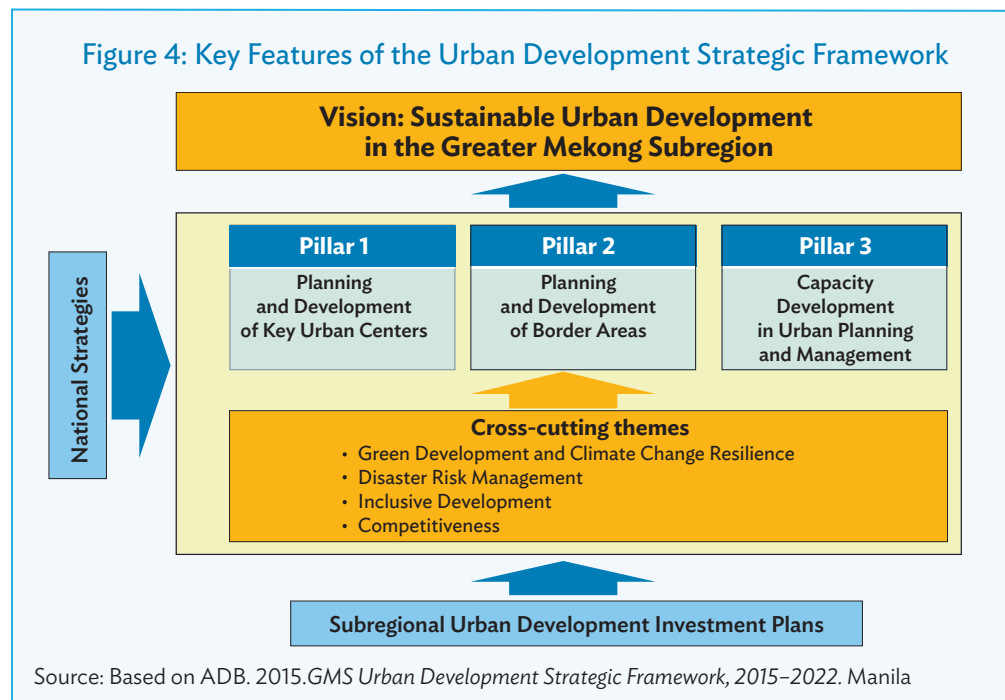
- (vi) **Enhancing road safety.** Common road standards will be developed in the different national components of GMS corridors, building on related Association of Southeast Asian Nations initiatives, to achieve a good level of efficiency, reliability, and sustainability across the territories of member countries. Road safety management capacity, as well as road safety performance data and measures, will also be established and implemented.

Across the abovementioned strategies, measures will be taken to promote “environment friendly” transport infrastructure and services, “climate proofing” of vulnerable transport projects, and establishment of disaster risk management and emergency response mechanisms. These concerns must be fully taken into account in the planning, design, and implementation of GMS transport projects.

## 2. Urban Development, Border Economic Zones, and Other Multisector Spatial Projects

The Greater Mekong Subregion Urban Development Strategic Framework 2015–2022 (UDSF) is at the early stages of being fully developed, and specific operational priorities under its three pillars are still evolving (Figure 4). The main thrusts of the UDSF rest on these pillars:

- (i) Pillar 1, focusing on the planning and development of key urban centers as part of the expanded concept of economic corridor development;
- (ii) Pillar 2, focusing on priority border areas within the overall GMS corridor system;
- and



- (iii) Pillar 3, focusing on capacity development in urban planning and management, as well as improved institutional coordination.

Operationalizing Pillars 1 and 2 under the HAP will involve developing and applying selection criteria for identifying priority urban centers and border areas, and preparing spatial plans to develop them. The criteria for identifying key urban centers will require a broad rather than rigid approach, since GMS cities and towns are highly diverse in terms of size, density, characteristics, and roles they play within the broader national development strategy. A holistic approach will be needed, focusing on both hardware and software components. Comprehensive and reliable data would be necessary to identify the characteristics and potentials of economic areas; and determine economic structures and dynamic functions, land use efficiency, densities, and migration patterns, among others. Developing indicators and measures to track qualities such as competitiveness, “greenness,” social cohesion, and overall sustainability will be important.

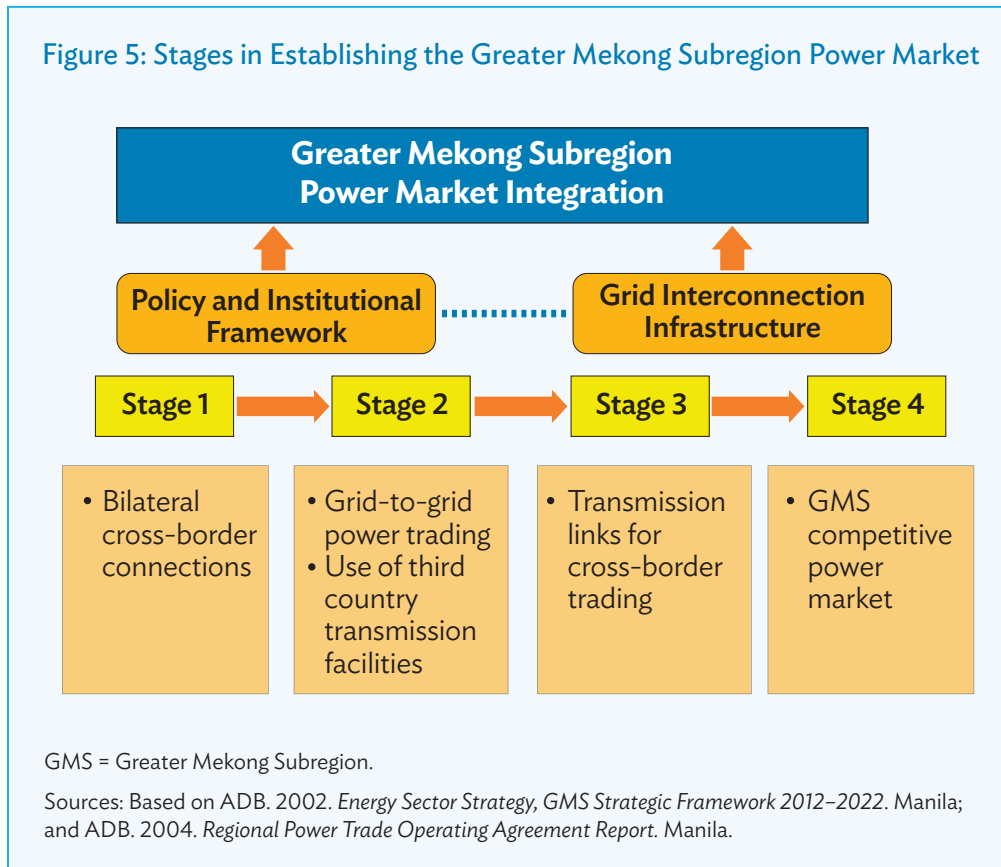
Moving the above initiatives forward will require capacity development (Pillar 3) to strengthen diagnostics capacity for urban planning and managing multisector interventions under complex multitiered institutional arrangements. Promoting knowledge sharing (e.g., peer-to-peer technical exchanges) can help in exploring subregional approaches to sustainable urban development on a collaborative basis. Knowledge sharing offers possibilities for developing further initiatives; for instance, in the area of urban green growth, which has become increasingly important in urban planning and development.

### 3. Energy

Power market integration will remain as the priority agenda in GMS energy cooperation. The GMS power market development adopts a “building block approach” to develop the essential grid interconnection infrastructure to physically facilitate the cross-border dispatch of power (Figure 5). GMS countries have reached stage 1, where bilateral trade is ongoing, and are moving to stage 2 with limited progress. To make further progress in moving to stage 2, the Regional Power Coordination Center has to perform the critical role of promoting synchronized operations of the national power systems toward a unified, fair, and transparent regional electricity market that can ensure stable and reliable electricity supply at the most economical costs. The use of third party transmission links will also be pursued. To lay the groundwork for stage 3, a regional transmission master plan will be prepared as a basis for developing transmission links dedicated to cross-border trading.

In the next 5 years, advancing regional power trade (RPT) will be pursued through the following activities: (i) harmonization of GMS regional technical performance standards and the development of grid codes, (ii) creation of a favorable regulatory environment to support higher RPT, (iii) in-depth studies of potential cross-border interconnections, (iv) private sector participation in cross-border RPT projects, and (v) targeting a higher share of renewable energy in planning for regional power systems. Power market development will mainstream environmental considerations in the design of power expansion plans. Strategic environmental assessment will be used in power sector planning and hydropower development. Capacity development for promoting effective environmental management in the implementation in power projects will continue.

Figure 5: Stages in Establishing the Greater Mekong Subregion Power Market

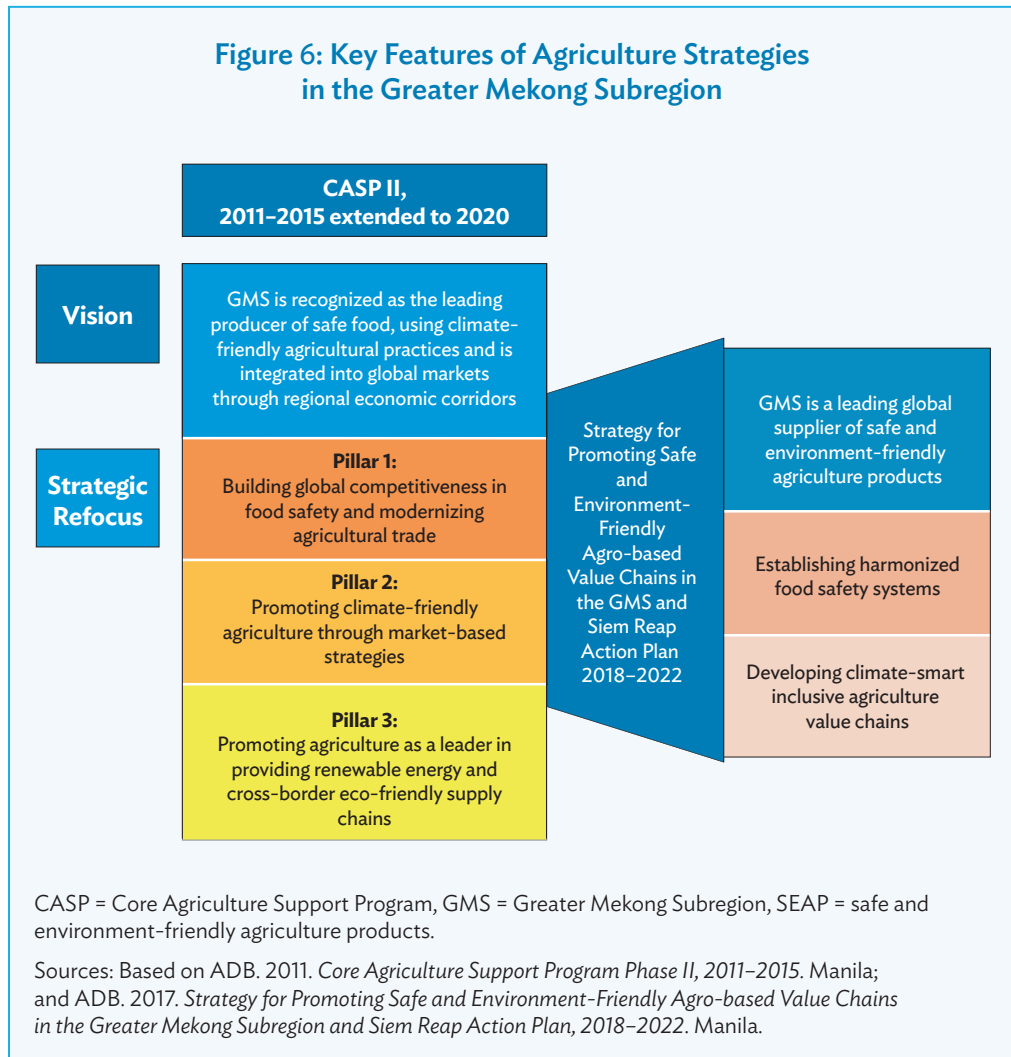


#### 4. Agriculture

The Strategy for Promoting Safe and Environment-Friendly Agro-based Value Chains in the Greater Mekong Subregion and Siem Reap Action Plan 2018–2022 (SASRAP) will guide GMS cooperation in agriculture in the next 5 years. The SASRAP is basically an expansion of Pillar 1 of the Core Agriculture Support Program Phase II 2011–2015 (later extended to 2020), which focuses on building global competitiveness by promoting food safety and modernizing agricultural trade through harmonized systems and standards (Figure 6). The SASRAP seeks to strengthen the emphasis on policy formulation and advocacy as a means to expand the production of safe and environment-friendly agriculture products (SEAP) through a value chain approach.

The SASRAP’s vision is to make the “GMS a leading global supplier of safe and environment-friendly agriculture products.” The vision is founded on the GMS’ comparative advantage in agriculture that can be leveraged through a subregional approach to generate economies of scale, increase trade, and promote inclusive food safety. The intended outcome is improved market access for SEAP by establishing a GMS food safety regime aligned with regional and international standards. Embedded in the food safety focus is the adoption of environment- and climate-friendly agriculture technologies and practices.





The SASRAP strategic directions and operational priorities are the (i) development of harmonized standards, practices, and policies to facilitate production, trade, and investment in SEAP value chains; (ii) strengthening infrastructure for regionally integrated SEAP value chains; (iii) improvement of systems for generating, sharing, and disseminating knowledge and innovations related to SEAP value chains; and (iv) development of marketing approaches to promote GMS's reputation as a SEAP global leader. The SASRAP emphasizes multisector, cross-sector, and innovative approaches such as (i) establishing agro-industrial zones and agro-demonstration parks that facilitate the production, processing, and trading of SEAP, including developing border livestock disease control zones; (ii) setting up agribusiness incubators focused on growing start-ups and innovative SMEs; (iii) establishing networks of education and training institutions for research, education, capacity building, and demonstration centers; and (iv) focusing on innovations that can reduce costs, cater to consumer preferences, and improve logistics practices that maximize economies of scale.

## 5. Environment

The Core Environment Program (CEP) has been implemented in the GMS countries since 2006 with the vision to achieve an “environmentally friendly and climate resilient GMS Economic Cooperation Program” (Figure 7). The CEP was designed using a phased approach involving a pilot phase (2006–2011), a scaling-up phase (2012–2017), and a consolidation phase (2018–2022).

In the consolidation phase, a new CEP Strategic Framework and Action Plan covering the period 2018–2022 (CEP-SFAP) was developed to consolidate and leverage past achievements and decentralize implementation arrangements to the countries. The CEP-SFAP will pursue an ecosystem-based service approach through fewer but high-impact projects, and will focus on project readiness as it seeks to decentralize the implementation of the CEP to the GMS countries. Meanwhile, the recent global commitments to the Sustainable Development Goals and the 2016 Paris Agreement have provided a fresh set of opportunities for the CEP to refocus its approach to providing the GMS countries with advisory, technical, and project-related services.

Figure 7: Core Environment Program Strategic Shifts

	<b>CEP I 2006–2011 Pilot Phase</b>	<b>CEP II 2011–2017 Scaling-up Phase</b>	<b>CEP 2018–2022 Consolidating Phase</b>
Item	CEP I and II, 2006–2017	CEP-SFAP 2018–2022	
Regional focus	Transboundary landscapes	Areas of high ecosystem service values within the GMS economic corridors and the projects in the RIF pipeline	
Approach	Geographic approach to landscapes, basin boundaries	Ecosystem-based service approach to landscapes in ECP, RIF, international frameworks	
Projects	Wide range of small projects	Fewer but high impact	
Technical advice and policy support	Stand alone pilots	National environment management systems	
Capacity	Individuals	Institutions and organization based on demand	
Knowledge focus	Broad thematic areas	Project readiness and development	
Financing	Donor cofinancing through ADB regional technical assistance projects	Large projects funded by development banks, private sector, donors and financing facilities Smaller projects funded by ADB	

ADB = Asian Development Bank, CEP = Core Environment Program, ECP = Economic Cooperation Program, GMS = Greater Mekong Subregion, RIF = Regional Investment Framework, SFAP = Strategic Framework and Action Plan.

Source: Adapted from ADB. 2017. *Core Environment Program Strategic Framework and Action Plan, 2018–2022*. Manila.

CEP-SFAP will focus on the three priority thematic areas: (i) green technologies and sustainable infrastructure, (ii) natural resources and ecosystem services, and (iii) climate resilience and disaster risk management. Within each of these priority areas the program will support three types of interventions that influence the investment project cycle: (i) investment preparation and financing, (ii) knowledge management and technology uptake, and (iii) policy and strategic planning. CEP will continue to incubate and scale environmental projects to be included in the RIF. Knowledge and policy advisory support will complement the development and implementation of investment projects. It has also realigned its geographic focus on GMS economic corridors and RIF projects.

## 6. Tourism

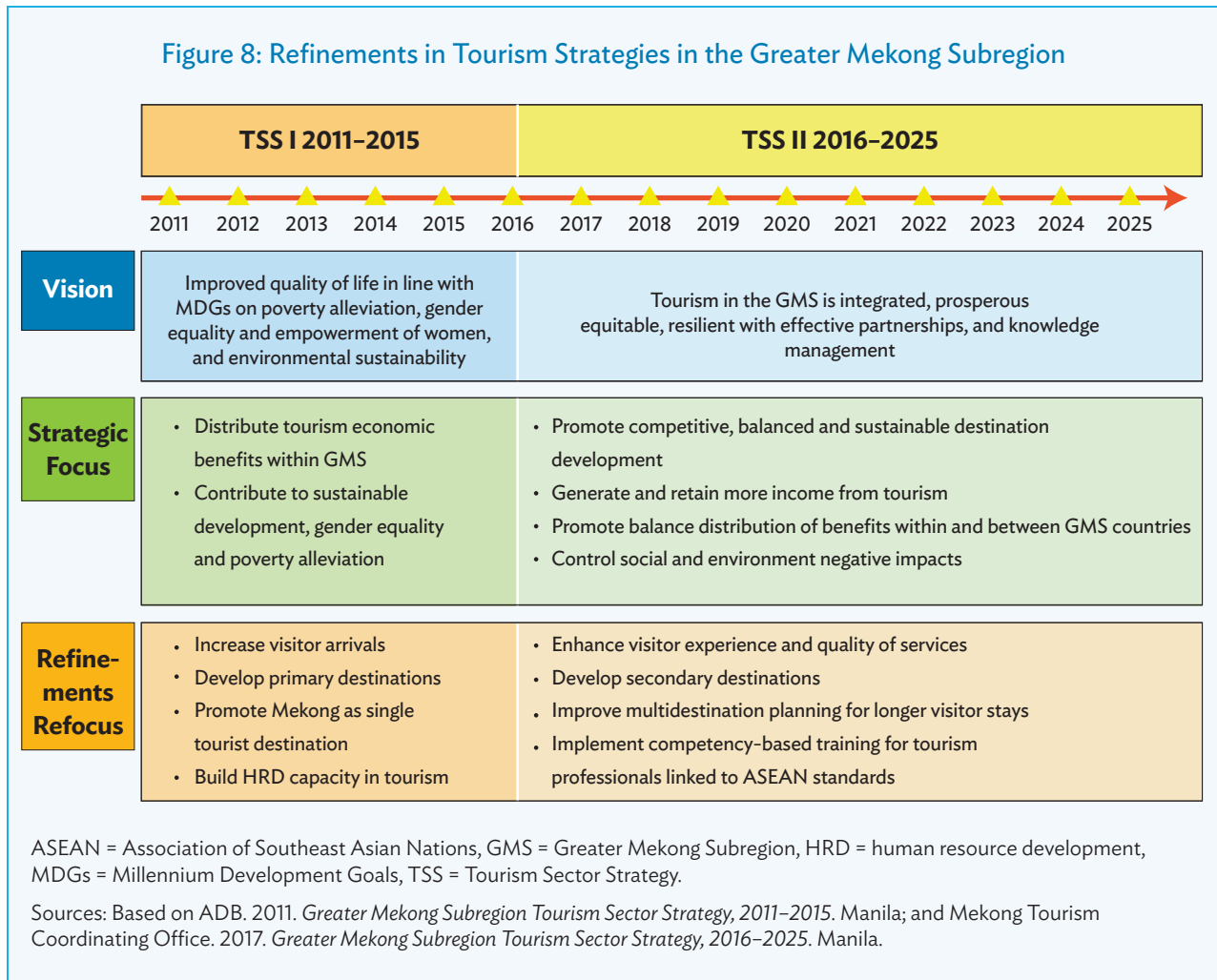
The Tourism Sector Strategy 2016–2025 (TSS II) builds on the gains and addresses the unfinished agenda of TSS I in the context of significant changes in the tourism market (Figure 8). While past efforts have concentrated on increasing visitor arrivals, TSS II has shifted its strategy toward generating more tourism revenues through quality visitor experience and longer stays. It will also seek to achieve a wider distribution of the benefits of tourism through the development of secondary destinations to decongest tourists converging mostly at gateway destinations. This implies improvements in domestic airports, inland, and marine ports for cruise tourism, and seamless travel facilitation beyond the traditional gateway destinations. Information technology will be harnessed to better inform consumer choices and tourism services providers' responses.

Human resource development will remain an important priority, but with greater focus on quality service and experience. These are essential for tourism competitiveness in a differently profiled tourism market dominated by millennials who seek socially responsible travel and the elderly who have more time and are able to afford premium services with more resources. Adherence to the Association of Southeast Asian Nations (ASEAN) competency standards for tourism professionals and other regional skills standards will be a key driver for human resource development initiatives. These will include the development of industry-related education, training, and capacity building. Multicountry-themed products and better destination planning and management will be given greater attention to promote and ensure quality visitor experiences. Quality will also be the overriding principle in developing infrastructure and environmental services such as clean, safe, and reliable water supply, reliable energy and its efficient use; and eco-friendly solid waste and wastewater management.

TSS II has five strategic directions that will guide GMS tourism cooperation for the remaining 5 years of GMS SF-II and beyond. These are:

- (i) human resource development, which focuses on the implementation of regional skills standards (consistent with the ASEAN framework), capacity building for public officials, and support for tourism enterprises;
- (ii) improvement in tourism infrastructure covering airports, road access in secondary destinations, green urban infrastructure, river and marine passenger ports, and transnational railway systems;
- (iii) enhancement of visitor experiences and services through the creation of integrated spatial and thematic destination plans and thematic multicountry experiences, implementation of common tourism standards, facilitation of

Figure 8: Refinements in Tourism Strategies in the Greater Mekong Subregion



- investments in secondary destinations, and prevention of negative social and environmental impacts;
- (iv) creative marketing and promotion, involving the promotion of thematic multicountry experiences, positioning of the GMS as a multivisit destination in Asia, strengthening public–private sector marketing arrangements, and awareness raising about tourism opportunities and sustainability; and
  - (v) facilitation of regional travel, which includes advocacy and implementation of the air services agreement consistent with the ASEAN framework, addressing tourism policy gaps, and improving border facilities and management.

The TSS II is closely aligned with the ASEAN Tourism Strategic Plan 2016–2025, whose timeline the TSS II coincides with, beyond the ending year of GMS SF-II (2022). The various initiatives of TSS II support and link to ASEAN tourism standards, competency standards for tourism professionals, mutual recognition arrangements for tourism professionals, and an open skies policy. As in the case of TSS I 2011–2015, the successor TSS II also focuses on economic corridors and incorporates spatial planning specially in developing thematic multicountry experiences linked with regional clusters and routes that

cover at least two countries. The priority multicountry thematic tour programs are within sections or subsections of the GMS economic corridors with special focus on border areas.

## 7. Trade Facilitation

The Transport and Trade Facilitation Action Plan 2015–2017 covers four core areas: (i) transport and traffic rights, (ii) simplifying and modernizing customs procedures, (iii) support for enhanced transport and logistics, and (iv) strengthening capacities for sanitary and phyto-sanitary (SPS) measures. Several activities under these core areas have been implemented or are ongoing, but given the complexity of regulatory reforms, it would take time to fully implement the ongoing and other planned activities.

The transport facilitation components of the Transport and Trade Facilitation Action Plan 2015–2017 falling under the Cross-Border Transport Facilitation Agreement framework are now covered under Transport Sector Strategy 2030. The trade facilitation components in the action plan remain relevant and ongoing, and other planned activities will be carried forward in the remaining years of GMS SF-II. The reactivation of the Trade Facilitation Working Group is envisaged to provide new impetus to further pursuing the following key areas:

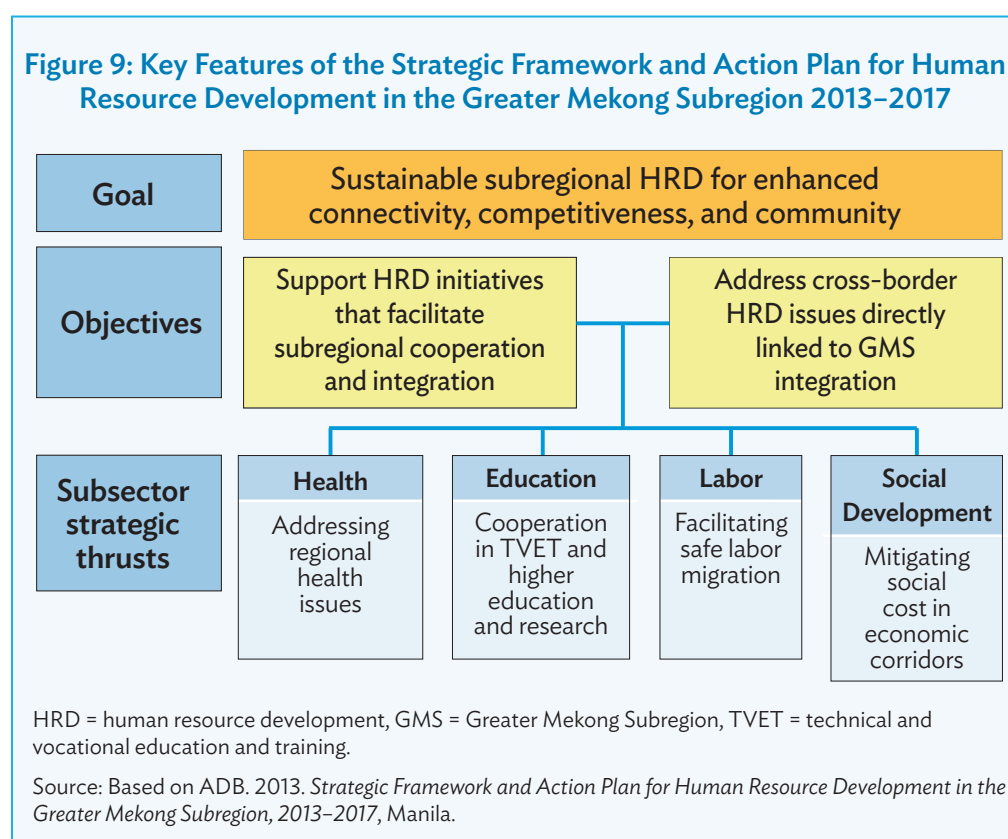
- (i) customs modernization based on internationally set standards and good practices under the Revised Kyoto Convention; and adoption of information technology-enabled processing systems and intelligence-driven risk-based control and compliance in partnership with the private sector;
- (ii) simplification and standardization of trade documents based on international standards, and strengthened coordination across agencies;
- (iii) enhancements in coordinated border management, involving enhanced coordination between customs, SPS measures, and other border agencies following international best practices in World Trade Organization agreements, World Customs Organization standards, and other relevant frameworks;
- (iv) enhancements in SPS arrangements for GMS trade by building capacity on more fundamental management tools such as the application of risk-based approaches, coordination across government agencies, partnerships with industry and collaboration with regional counterparts, and improved compliance with SPS rules throughout the value chain; and
- (v) development of corridor-specific transport and trade facilitation databases that can provide indicators to measure the transport and trade performance of GMS economic corridors.

## 8. Human Resource Development

The Strategic Framework and Action Plan for Human Resource Development in the GMS 2013–2017 (SFAP) focuses on human resource development (HRD) measures that would facilitate the process of subregional cooperation and integration; and on cross-border issues linked to GMS integration (e.g., transmission of communicable disease, human and drug trafficking). The SFAP identified these strategic thrusts for each of the HRD subsectors: (i) in education, capacity building for technical and vocational education and training, and cooperation in higher education; (ii) in labor, facilitating safe cross-border labor migration; and (iii) in health, addressing cross-border health issues. The SFAP also identified initiatives to mitigate the social costs of developing the GMS economic corridors.

The midterm review concluded that except for the health subsector for which there was significant progress in the area of communicable disease control, there was limited scope for subregional cooperation in the other subsectors (Figure 9).

To sustain the momentum of cooperation in the health sector, the GMS countries established a separate Working Group on Health Cooperation tasked to formulate a sector strategy. Meanwhile, development partners such as the International Organization on Migration and Deutsche Gesellschaft für Internationale Zusammenarbeit are considering integrating GMS initiatives on labor migration and technical and vocational education and training in their current programs in these areas. The forward agenda for the HRD subsectors have yet to be determined.



## 9. Information and Communication Technology

Cooperation in the information and communication technology (ICT) sector could be revived by developing a strategic framework to update or replace the 2011 Strategic Framework for ICT Development, and establishing the institutional mechanism to implement the strategy. The new strategy should highlight the important role of ICT in accelerating the process of GMS integration, especially in supporting trade and investment, and enlarging markets through products and services that facilitate information exchange. The new strategy should also reduce the cost of business and trade-related transactions. Strategic directions in ICT cooperation can include enhancing policy support and advocacy for ICT; strengthening institutional structures for cross-border coordination on ICT;

developing content, tools, and applications for information sharing; capacity development and networking among ICT professionals; setting up support services; and enhancing the role of the private sector in ICT development. The new strategy can reinforce ICT's supporting role to other sectors; identify specific and strategic opportunities (e.g., green technology); and define the coordinating mechanisms to realize these opportunities. A task force can be mobilized initially to recommend the future direction and modalities for ICT cooperation in the GMS.

The GMS E-commerce Platform should continue to be promoted and GMS working groups should be encouraged to explore opportunities in linking with the GMS Business Alliance and other initiatives under the Platform. For cross-border e-commerce in particular, GMS governments may consider developing policy measures regarding data safety, fraud, privacy, and protection of intellectual property. The GMS governments can also promote e-commerce readiness of enterprises by developing ICT-related infrastructure to provide firms with inexpensive access to information networks.

## D. Improvements in the Planning, Programming, and Monitoring Systems and Processes

Improvements in the GMS Program planning–programming–monitoring cycle will be initiated through the adoption of guidelines involving (i) sector strategy timeframes in relation to the overall GMS Program strategy timeframe; (ii) setting of quantitative goals as the bases for formulating strategies, programs, and projects; (iii) development of a results monitoring framework and institutional processes and responsibilities for implementing it; and (iv) role of the ministerial conferences, Senior Officials Meetings (SOMs), and the working groups at the different stages of the planning cycle.

Improvements in the coverage, principles, and processes of the Regional Investment Framework (RIF) will be undertaken to ensure that these support the operational priorities of the HAP. The RIF will provide a more extensive coverage of programs and projects to include those supported by the GMS governments, the Asian Development Bank, and other development partners; and specify a system of regular updating and progress monitoring that are linked to the overall GMS planning and programming cycle.

A more systematic approach to resource mobilization will be pursued to address the financing requirements of the RIF, including partnerships with new development partners and financing institutions, as well as with the private sector through public–private partnerships and similar arrangements. As principal financier, the Asian Development Bank will lead this effort and will also assist the GMS countries in packaging the RIF projects to make them more attractive to funding sources.

Results monitoring will be an important priority in the next 5 years of the GMS SF-II. Sector working groups will be responsible for establishing their respective sector's results monitoring framework linked to the sector strategy. This will involve setting specific, measurable, attainable, relevant, and time-bound goals, developing indicators, establishing

benchmarks, and collecting the required data. The SOM, to which the working groups report, should oversee the results monitoring process through a regular system of reporting.

## E. Enhancements in Institutional Arrangements and Partnerships

The HAP will be implemented utilizing existing institutional arrangements. However, it is envisaged that improvements in the institutional framework and processes, as recommended by the midterm review, will be considered and eventually set in place toward enhanced efficiency and effectiveness of GMS Program operations. These recommendations include:

- (i) empowering the national secretariats to take greater responsibility in coordinating the stages of the project cycle at the sector level;
- (ii) designating a country lead or coordinator for sector working groups;
- (iii) allowing flexibility in establishing institutional arrangements outside of the formal structures (ad hoc experts groups, networking, peer exchanges); and
- (iv) strengthening the role of the SOM as an oversight and coordination body for the working groups.

In considering these institutional enhancements, it is important to take into account the different levels of technical and management competencies in various sectors and capacities in each country; as well as the skills gaps and the recommended capacity development interventions. Resource availability (financial and staff resources) should likewise be considered, mindful that GMS countries have different levels of economic development, and vary in terms of their regional cooperation priorities.

The institutional mechanisms for the GMS spatial strategy will need to evolve. The appropriate design for these mechanisms could be addressed in the process of preparing the master plans, given the customization required based on the unique circumstances of particular areas—the institutional capacities, degree of local autonomy, and level of stakeholder commitment, among others. Innovative and responsive mechanisms will be needed to deal with diverse stakeholders at the national, state or province, and local levels, alongside industry groups and other private institutions (banks, schools, hospitals) based on their roles in the design, implementation, and monitoring of multisector, spatially oriented projects.

Partnerships with the private sector could be further improved by promoting their participation at the working group level and in specific initiatives. Outside the GMS formal institutional set-up, the GMS Program can provide platforms where the private sector can share innovative ideas, approaches, and solutions to specific development challenges such as decarbonizing industrial production and developing ecologically friendly and socially responsible infrastructure. Given the GMS countries' common objective to enhance participation in global value chains, subregional supply chain business networks or industry clusters could be promoted. Private sector investments could be encouraged in supply chains and in special economic zones and industrial parks that have been established at the

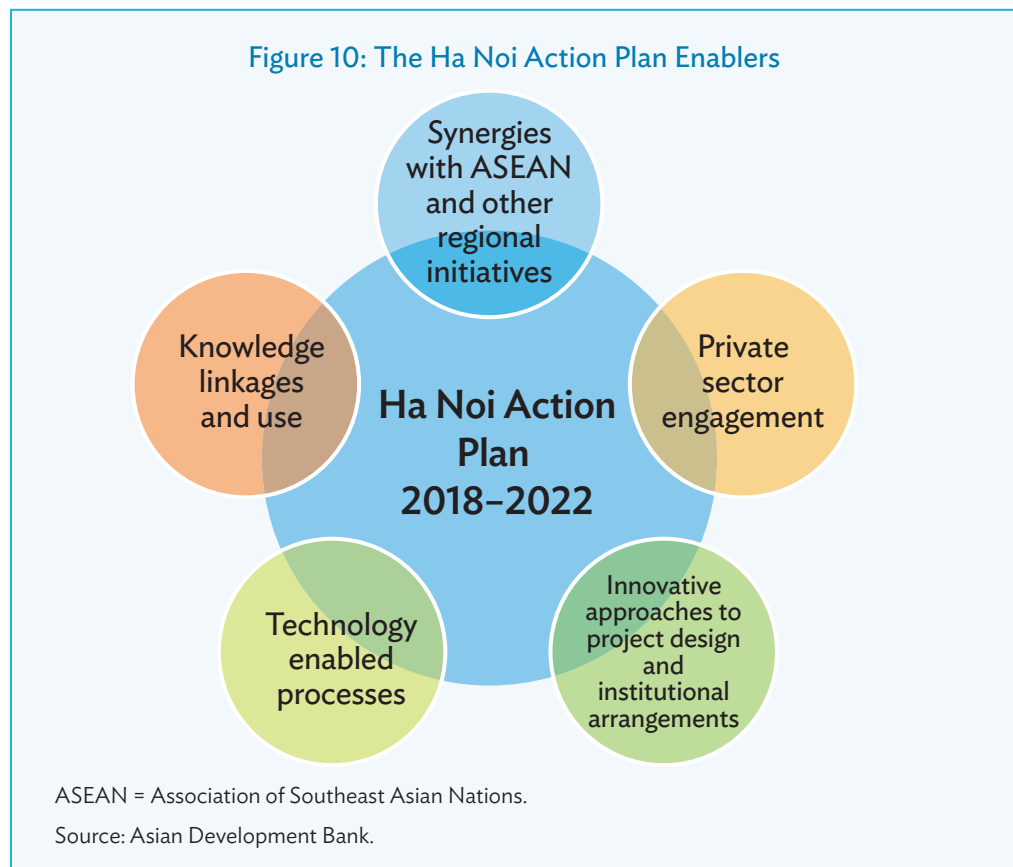


borders or along the corridors. Innovative public–private partnership schemes in health and education, and not only for infrastructure projects, could be explored.

Development partners have been actively engaged in, and contributing significantly to the GMS Program, especially at the level of sector working groups. There is scope for acknowledging their contribution by including the projects they are supporting in the RIF. Development partners have recently shown interest in supporting private sector development and industry bodies. Promoting partnerships between the GMS private sector and industry bodies in third countries is an area that can be explored.

## F. Ensuring the Successful Delivery of the Ha Noi Action Plan 2018–2022

Several factors will affect the successful delivery of results under the HAP. These factors must be consciously harnessed, managed, and mainstreamed into the process of executing the HAP so that they become “enablers” for goal attainment (Figure 10). These “enablers” include (i) generating synergies with ASEAN and other regional initiatives, (ii) effective private sector engagement, (iii) innovative approaches to project design and institutional arrangements, (iv) technology-enabled processes, and (v) knowledge linkages and use.



- (i) **Synergies with Association of Southeast Asian Nations and other regional initiatives.** Leveraging the GMS Program’s comparative advantage (e.g., activity-based and results-oriented) with ASEAN’s policy-based frameworks can generate significant positive synergies in hardware and software interventions in key sectors or areas. Tapping complementarities and building synergies with other important regional initiatives, such as the Belt and Road Initiative, and regional initiatives by other development partners, can bring greater opportunities for the GMS. Linkages with other regional initiatives, especially those anchored on cooperation between subnational economies, can also help promote coherence between regional and subnational area development.
- (ii) **Effective private sector engagement.** The private sector plays a key role in entrepreneurship, economic diversification, employment creation, and provision of goods and services that contribute to economic growth and improved quality of life. In the GMS, opportunities for a fuller private sector engagement are rife, given recent strategies to increasingly align physical connectivity with market connectivity, far-reaching reforms to liberalize the goods and services markets, and progress toward economic integration in the region.
- (iii) **Innovative approaches to project design and institutional arrangements.** Innovations in program and project development that promote greater engagement of stakeholders help foster greater awareness, ownership, and commitment. Information, consultation, collaboration, and empowerment are different levels of engagement that enhance effectiveness and delivery of results. Innovative projects can be piloted and scaled up if proven successful.
- (iv) **Technology-enabled processes.** Technology-enabled processes can promote efficiency in conducting business operations. Videoconferencing, mobile applications for information sharing and access, interactive project databases, online toolkits, and online information and e-learning are some of the technology-based platforms that can be introduced and increasingly used in the conduct of GMS operations.
- (v) **Knowledge linkages and use.** As the GMS moves into more complex software and multisector interventions, high-quality analytical work, and effective platforms for building consensus around this work, will become increasingly important. Sector-oriented analytical work will have to be complemented with comprehensive multisector plans. Some working groups have initiated the development of centralized databases (e.g., agriculture, urban development, and tourism) and potential linkages among these databases would be important to enhance their application and use for multisector planning.



# APPENDIX: THE HA NOI ACTION PLAN 2018–2022 SECTOR OPERATIONAL PRIORITIES

The regional project pipeline is included in the Regional Investment Framework (RIF) 2022. The key actions of the Ha Noi Action Plan (HAP) will provide a coherent framework for project development under the RIF 2022. At the initial stage, some new actions of the HAP may not be necessarily supported by projects in the RIF 2022. However, there will be greater consistency and alignment between the HAP’s key actions and subsequent updates of RIF 2022.

**Table: The Ha Noi Action Plan 2018–2022—Sector Operational Priorities**

Sector Operational Priorities	Key Actions
<b>Transport<sup>a</sup></b>	
<ul style="list-style-type: none"> <li>• Complete the corridor networks and improve links with South and Southeast Asia by developing the new subcorridor in NSEC linking Mandalay to Tamu at the border with India. This is part of the Trilateral Highway Project linking India to Thailand</li> <li>• Facilitate cross-border transport by accelerating and enhancing the effectiveness of Cross-Border Transport Facilitation Agreement implementation in close coordination with ongoing trade facilitation efforts in the GMS</li> <li>• Strengthen the links between transport modes by developing “intermodal chains,” rather than promoting competition between modes</li> <li>• Promote development of logistics to complement transport infrastructure and transport facilitation</li> <li>• Improve road asset management to ensure efficiency, reliability, and sustainability</li> <li>• Enhance road safety by developing common standards of safety in the different national components of the GMS corridors, which can be realized more effectively on the basis of cooperation among the GMS countries</li> </ul>	<p><b>Roads</b></p> <ul style="list-style-type: none"> <li>• Upgrade sections requiring improvement in the original alignment of EWEC in Myanmar and of SEC in Cambodia</li> <li>• Upgrade the new routes in EWEC in Myanmar and NSEC in the Lao PDR</li> <li>• Enhance links to key transport interchange nodes like ports, airports, and rail stations</li> <li>• Build and/or upgrade feeder roads</li> <li>• Improve links between secondary roads and the main corridor routes</li> <li>• Establish effective approaches to road asset management and financing</li> <li>• Implement mechanisms for strengthening implementation and coordination of road safety measures</li> <li>• Establish platform for data collection and performance monitoring</li> </ul> <p><b>Railways</b></p> <ul style="list-style-type: none"> <li>• Sustain operation of the Greater Mekong Railway Association</li> <li>• Complete missing railway links to interconnect the subregion</li> <li>• Upgrade and expand capacity of existing railway lines</li> <li>• Upgrade systems for communications, signaling, and train control</li> <li>• Renew and replace rolling stock</li> <li>• Modernize systems for train operation, user service, and management support</li> <li>• Improve asset management capacity</li> <li>• Enhance cross-border rail transport</li> </ul> <p><b>Ports and inland waterways</b></p> <ul style="list-style-type: none"> <li>• Develop and/or increase capacity of major deep sea ports</li> <li>• Promote use of coastal shipping and inland waterways for domestic and international trade by providing and improving support facilities and services</li> <li>• Improve landside seaport access</li> <li>• Improve port policies and regulations</li> <li>• Streamline terminal and port operations</li> </ul>

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Table continued

Sector Operational Priorities	Key Actions
	<p><b>Air transport</b></p> <ul style="list-style-type: none"> <li>• Develop designated international airports and other international airports in the future</li> <li>• Develop and/or improve secondary airports</li> <li>• Expand or develop primary airports</li> </ul> <p><b>Urban transport</b></p> <ul style="list-style-type: none"> <li>• Construct circumferential and bypass roads around major urban centers along the corridors</li> <li>• Adopt mechanisms for coordinating transport programs and projects with the development plans of major cities and towns along the economic corridors</li> </ul> <p><b>Transport facilitation</b></p> <ul style="list-style-type: none"> <li>• Facilitate extension of traffic and transport rights along the GMS economic corridors</li> <li>• Upgrade border crossing facilities</li> <li>• Improve border management</li> <li>• Enhance institutional mechanisms for implementing transport facilitation measures at the central and local levels</li> <li>• Strengthen interface between transport facilitation and trade facilitation initiatives</li> <li>• Develop a GMS database for transport facilitation</li> <li>• Conduct capacity building programs to raise awareness, and improve the knowledge and skills of central, local, and border officials in transport and trade facilitation</li> </ul> <p><b>Logistics</b></p> <ul style="list-style-type: none"> <li>• Improve road–rail–port connectivity</li> <li>• Establish inland dry ports with road and rail interface</li> <li>• Establish direct feeder service between ports and ICDs, and integrate ICDs into the rail network</li> <li>• Promote the logistics industry through deregulation and increased foreign participation</li> <li>• Encourage investment in logistics hubs, ICDs, inland dry ports, and cold storage facilities</li> <li>• Improve the interface between the public and private sectors in logistics development, including through the strengthening of the GMS Freight and Transport Association</li> <li>• Promote human resource development programs to support GMS logistics development</li> <li>• Increase use of ICT in logistics management</li> <li>• Strengthen private sector participation</li> </ul>
<b>Urban Development and Other Multisector and Border Economic Zones<sup>b</sup></b>	
<ul style="list-style-type: none"> <li>• Plan and develop key urban centers and border areas using holistic and regional approaches and focusing on urban systems as part of spatial planning for economic corridors</li> </ul>	<ul style="list-style-type: none"> <li>• Identify key urban centers along GMS corridors and urban systems</li> <li>• Develop multisector spatial plans for high-priority urban areas</li> <li>• Provide and upgrade infrastructure in GMS corridor towns and in other key urban areas</li> <li>• Identify or update key border areas and priority border points based on reconfigured GMS economic corridors</li> <li>• Prepare multisector spatial plans for priority border areas</li> <li>• Develop border zones</li> </ul>

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Sector Operational Priorities	Key Actions
<ul style="list-style-type: none"> <li>Develop capacities in urban planning and management</li> </ul>	<ul style="list-style-type: none"> <li>Undertake capacity improvements in urban planning and management</li> <li>Prepare national and subnational spatial strategies and development plans</li> <li>Establish multilevel institutional framework for coordination, planning and implementation at the subregional level</li> <li>Improve institutional coordination at the national level</li> <li>Establish mechanisms for improved synergies with other GMS sector working groups and forums</li> <li>Promote knowledge sharing to collaboratively explore subregional approaches in sustainable urban development (e.g., peer-to-peer technical exchanges)</li> <li>Develop data sources that can be used for identifying characteristics and potentials of economic areas of cities and towns along and off-corridors</li> </ul>
<b>Energy<sup>c</sup></b>	
<ul style="list-style-type: none"> <li>Continue developing the regional power market by developing the grid interconnection infrastructure and providing the policy and institutional framework for power trading:               <ul style="list-style-type: none"> <li>Stage 1: Bilateral cross-border connections</li> <li>Stage 2: Grid-to-grid power trading between any pair of GMS countries</li> <li>Stage 3: Transmission links for cross-border trading</li> <li>Stage 4: Fully integrated GMS regional competitive power market</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Continue power purchase agreements</li> <li>Use transmission facilities of a third regional country; develop third party access principles</li> <li>Develop transmission links dedicated to cross-border trading; prepare a regional transmission masterplan</li> <li>Harmonize GMS performance standards and transmission regulations</li> <li>Develop regional grid codes</li> <li>Develop multiple seller-buyer regulatory frameworks</li> <li>Develop favorable regulatory environment to support higher regional power trade</li> <li>Conduct studies on potential cross-border interconnections</li> <li>Increase private sector participation in cross-border regional power trade projects</li> <li>Update regional system planning to incorporate higher share of renewable energy</li> <li>Conduct capacity building for effective environmental management in the planning and implementation of power projects</li> <li>Finalize the establishment of Regional Power Coordination Center</li> </ul>
<b>Agriculture<sup>d</sup></b>	
<ul style="list-style-type: none"> <li>Develop harmonized standards, practices, and policies to facilitate production, trade, and investment in SEAP value chains</li> <li>Strengthen infrastructure for regionally integrated SEAP value chains</li> </ul>	<ul style="list-style-type: none"> <li>Harmonize standards related to (i) good practices for crops, livestock, and aquaculture, (ii) food safety and quality assurance, (iii) certification and accreditation agencies (including PGS for organic agro-products), (iv) quarantine procedures, and (v) surveillance systems and laboratories</li> <li>Identify and disseminate guidelines and best practices related to foreign direct investment in food and agriculture, contract farming, and code of conduct for responsible agrifood investment in SEAP across GMS borders</li> <li>Formulate and adopt policies for SEAP including policies for NUE, GWM, and PGS</li> <li>Develop agro-industrial zones and agro-demonstration parks in the GMS that facilitate the investment, production, processing, and trading of SEAP</li> <li>Develop border livestock disease control zones</li> <li>Establish appropriate SPS facilities including GMS reference labs and surveillance laboratories</li> </ul>

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Sector Operational Priorities	Key Actions
<ul style="list-style-type: none"> <li>• Improve systems for generating and sharing knowledge and innovations related to SEAP value chains</li>   <li>• Develop marketing approaches to promote the reputation of GMS as a SEAP global leader</li> </ul>	<ul style="list-style-type: none"> <li>• Develop agribusiness incubators in the GMS that are focused on growing start-up and innovative SMEs for SEAP</li> <li>• Develop and strengthen research and extension network focused on improved agronomic and value chain practices that improve productivity and reduce SEAP wastes and losses</li> <li>• Develop and strengthen regional training and demonstration centers</li> <li>• Develop and strengthen regional education and capacity building network on value chain and logistics management in partnership with agribusiness companies</li> <li>• Develop information sharing platform to facilitate exchange of information related to SEAP, business opportunities, and identification of investment partners</li>   <li>• Undertake joint marketing activities to promote GMS's reputation as a global supplier of SEAP</li> <li>• Promote the development of food and agriculture geographical indications</li> <li>• Develop a communication plan for raising public awareness on food safety and SEAP</li> </ul>
<b>Environment<sup>e</sup></b>	
<ul style="list-style-type: none"> <li>• Green technologies and sustainable infrastructure increasingly adopted by GMS countries</li>   <li>• Investment in natural resources and ecosystem services increased</li> </ul>	<ul style="list-style-type: none"> <li>• Provide environmental policy, strategic planning and safeguards support (strategic environmental assessment, environmental impact assessment, environmental quality standards, economic instruments, air, water, and soil pollution control and remediation, waste management, and low carbon)</li> <li>• Promote knowledge sharing and transfer of cleaner technologies (including cleaner production, resource and energy use efficiency, air, water, and soil treatment, etc.)</li> <li>• Project preparation support for: (i) rural environment quality improvement and management, (ii) green road freight financing, and (iii) electronic waste management</li> <li>• Identify and adopt measures to de-risk investments, and matchmaking, develop, and provide linkages to risk and vulnerability assessment tools, facilitate public and private sector involvement through impact investment, viability gaps, green bonds, and other innovative funding mechanisms</li>   <li>• Provide policy and legal framework support for natural resources conservation and sustainable land management</li> <li>• Facilitate regional knowledge sharing on natural resources and ecosystem services</li> <li>• Land resource planning support: integrated spatial planning, ecosystem assessment, valuation and mapping, risk assessment, and integration in key sector plans and investments</li> <li>• Project preparation support for integrated natural resources and land management for sustainable development (protection of high value ecosystems, restoration or remediation of degraded lands, and soil pollution control and remediation)</li> <li>• Development of sustainable financing policy, pricing support, and benefit distribution mechanism (payment for ecosystem services potentially with tourism industries and hydropower companies, biodiversity offsets, etc.)</li> </ul>

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Sector Operational Priorities	Key Actions
<ul style="list-style-type: none"> <li>Climate resilience and DRM strategies increasingly incorporated in GMS sector investment plans</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory framework for climate proofing infrastructure</li> <li>Regional sharing of best practices on CRV assessment and adaptation</li> <li>Technical support for strengthening CRV and DRM assessments in investment project planning</li> <li>Project preparation support including: (i) climate proofing rural infrastructure investments, (ii) DRM and risk financing options, and (iii) value chain approach to promote social and economic inclusion for pro-climate initiatives</li> <li>Promote climate and disaster risk financing options</li> </ul>
<b>Tourism<sup>f</sup></b>	
<ul style="list-style-type: none"> <li>Develop human resources</li> <li>Improve tourism infrastructure</li> <li>Enhance visitor experience and services</li> <li>Undertake creative marketing and promotion</li> <li>Facilitate regional travel</li> </ul>	<ul style="list-style-type: none"> <li>Implement regional skills standard</li> <li>Capacity building for public officials</li> <li>Strengthen tourism enterprise services</li> <li>Upgrade airports</li> <li>Establish road access in secondary destinations</li> <li>Develop green urban infrastructure services</li> <li>Improve river and marine passenger ports</li> <li>Expand the transnational railway system</li> <li>Create integrated spatial and thematic destination plans</li> <li>Develop thematic multicountry experience</li> <li>Implement common tourism standards</li> <li>Facilitate investment in secondary destinations</li> <li>Prevent negative social and environmental impacts</li> <li>Promote thematic multicountry experiences and events</li> <li>Position GMS as a must-visit destination in Asia</li> <li>Strengthen public–private marketing arrangements</li> <li>Enhance market research and data exchange</li> <li>Raise awareness about tourism opportunities and sustainability</li> <li>Advocate implementation of air services agreements</li> <li>Address tourist visa policy gaps</li> <li>Improve border facilities management</li> </ul>
<b>Trade Facilitation<sup>g</sup></b>	
<ul style="list-style-type: none"> <li>Customs modernization through Revised Kyoto Convention implementation, adoption of information technology and partnership with private sector</li> <li>Simplify and standardize trade documents based on international trade standards, and strengthen coordination across agencies</li> <li>Enhance coordinated border management</li> </ul>	<ul style="list-style-type: none"> <li>Implement intelligence-driven, risk-based control and compliance</li> <li>Promote private sector partnerships</li> <li>Promote adoption of information technology processing systems</li> <li>Implement national single windows</li> <li>Build capacities of customs administrations to implement key initiatives based on international agreements</li> <li>Implement simplified and standardized trade documents</li> <li>Strengthen coordination across agencies</li> <li>Conduct time release studies</li> <li>Develop a GMS database for trade facilitation</li> <li>Enhance coordination between customs, SPS, border agencies, and the private sector following international best practices and other relevant frameworks</li> <li>Implement single-stop inspection or single-window inspection</li> </ul>

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Sector Operational Priorities	Key Actions
<ul style="list-style-type: none"> <li>Enhance SPS arrangements for GMS trade</li> </ul>	<ul style="list-style-type: none"> <li>Develop capacities in management tools (e.g., risk-based approaches, coordination across government agencies, promote partnerships with industry and collaboration with regional counterparts, and improve compliance with SPS rules throughout the value chain)</li> </ul>
<b>Human Resource Development<sup>h</sup></b>	
<p><b>Health</b></p> <ul style="list-style-type: none"> <li>Working Group on Health Cooperation to be created to serve as platform for cooperation on regional health issues; regional health cooperation priority areas can include: communicable disease control and health security; expanded universal health care coverage; and regional collaboration and health services for mobile and migrant populations</li> </ul> <p><b>Social Development</b></p> <ul style="list-style-type: none"> <li>Identify cross-cutting issues in sectors and projects that could be linked to other activities</li> </ul> <p><b>GMS Labor and Migration</b></p> <ul style="list-style-type: none"> <li>To be led at the project level</li> </ul> <p><b>TVET</b></p> <ul style="list-style-type: none"> <li>To be pursued at bilateral level and country operations</li> </ul>	<ul style="list-style-type: none"> <li>Operationalize Working Group on Health Cooperation</li> <li>Formulate and implement GMS Health Cooperation Strategy</li> <li>Promote knowledge sharing in regional health cooperation</li> <li>Develop pipeline of projects</li> </ul> <ul style="list-style-type: none"> <li>Mainstream social development issues into sectors and projects</li> </ul> <ul style="list-style-type: none"> <li>Led by the International Organization for Migration through its project, Poverty Reduction through Skills Development for Safe and Regular Migration in Cambodia, the Lao PDR, Myanmar, Thailand, and Viet Nam (PROMISE), this is an 8-year project through 2024</li> </ul> <ul style="list-style-type: none"> <li>Pursue TVET cooperation at bilateral level and country operations</li> <li>Conduct analytical work for regional TVET issues</li> </ul>
<b>Information and Communication Technology<sup>i</sup></b>	
<ul style="list-style-type: none"> <li>Develop a new ICT strategy</li> <li>Strengthen the GMS E-commerce Cooperation Platform</li> </ul>	<ul style="list-style-type: none"> <li>Create a task force to define future direction and modalities for ICT cooperation in the GMS</li> <li>Formulate a new ICT development strategy</li> <li>Reinforce ICT as a cross-cutting area to support sectors, and define the coordinating mechanism for this purpose</li> <li>Promote ICT applications</li> <li>Implement capacity development and networking activities among ICT professionals in the GMS</li> <li>Enhance policy support and advocacy</li> <li>Promote participation in the platform</li> <li>Encourage GMS sector working groups to link with the platform as appropriate</li> <li>Information sharing (database and consumer markets)</li> </ul>

CRV= climate risk vulnerability, DRM = disaster risk management, EWEC = East–West Economic Corridor, GMS = Greater Mekong Subregion, GWM = green water management, ICD = international container or clearance depot, ICT = information and communication technology, Lao PDR = Lao People’s Democratic Republic, NSEC = North–South Economic Corridor, NUE = nitrogen use efficiency, PGS = participatory guarantee systems, SEAP = safe and environment–friendly agriculture products, SEC= Southern Economic Corridor, SPS = sanitary and phyto–sanitary standards, TVET = technical and vocational education and training.

<sup>a</sup> For the transport sector, key actions were based on ADB. 2017. *Transport Sector Strategy 2030* (draft). Manila; ADB. 2017. Summary of Proceedings. 21st GMS Subregional Transport Forum. 19–20 July 2017. Luang Prabang, Lao People’s Democratic Republic; and relevant documents.

<sup>b</sup> For urban development and other multisector and border economic zones, the key actions were based on ADB. 2015. *Urban Development Strategic Framework, 2015–2022*. Manila; focus group discussions for Urban Development Information Note and Discussion Highlights, 26 May 2017 (videoconference); ADB. 2017. *Summary of Proceedings*. 1st Meeting of the Urban Development Working Group. 28–29 June 2017. Ha Noi, Viet Nam; and relevant documents.

<sup>c</sup> For energy, the key actions were based on ADB. 2012. *Energy Sector Strategy in the GMS Strategic Framework 2012–2022*. Manila; ADB. 2002. Inter-Governmental agreement on Regional Power Trade in the GMS. Phnom Penh, Cambodia; ADB. 2004. *Regional Power Trade Operation Agreement*. Manila; focus group discussion for Energy Information Note and Discussion Highlights, 11 May 2017 (videoconference); ADB. 2017. *Summary of Proceedings*. 22nd Meeting of the Regional Power Trade Coordination Committee. 20–21 June 2017. Chengdu, Sichuan Province, People’s Republic of China (PRC); and relevant documents.

<sup>d</sup> For agriculture, the key actions were based on ADB. 2017. *Strategy for Promoting Safe and Environment-friendly Agro-based Value Chains in the Greater Mekong Subregion and Siem Reap Action Plan, 2018–2022*. Manila; ADB. 2017. *Summary of Proceedings*. 14th Meeting of the Working Group on Agriculture. 13–14 July 2017. Siem Reap, Cambodia; and relevant documents.

<sup>e</sup> For the environment sector, the key actions were based on ADB. Forthcoming. *Core Environment Program Strategic Framework and Action Plan, 2018–2022*. Manila; ADB. 2017. *Summary of Proceedings*. 23rd Meeting of the Working Group on Environment. 11–12 July 2017. Siem Reap, Cambodia; and relevant documents.

<sup>f</sup> For tourism, the key actions were based on MTCO. *Tourism Sector Strategy, 2016–2025*. Thailand; ADB. 2017. *Summary of Proceedings*. 39th Meeting of the Tourism Working Group. 5 June 2017. Luang Prabang, Lao People’s Democratic Republic; and relevant documents.

<sup>g</sup> For trade facilitation, the key actions were based on ADB. 2012. *Transport and Trade Facilitation Action Program, 2015–2017*. Manila; focus group discussion for Trade Facilitation (SPS and Customs) Information Note and Discussion Highlights, 11 May 2017 (videoconference); and reviews of ADB technical assistance reports and relevant documents.

<sup>h</sup> For the human resource development sector, the key actions were based on ADB. 2017. *Implementation Review of the Strategic Framework and Action Plan for Human Resource Development (HRD) 2013–2017*. Manila; focus group discussion for HRD Information Note and Discussion Highlights, 9 May 2017 (videoconference); ADB. 2017. *Summary of Proceedings*. Extraordinary Meeting of the Working Group on HRD, 4 July 2017, Bangkok, Thailand; relevant documents; and discussions at the TVET in Southeast Asia: Strategies for Cooperation Brainstorming Meeting. 14 September 2017. Bangkok, Thailand.

<sup>i</sup> For information and communication technology, the key actions were based on ADB. 2012. *ICT Strategy in the GMS Strategic Framework 2012–2022*. Manila; 2011. Strategic Framework for ICT Development in the GMS. Paper prepared for the GMS Telecommunications Ministers Meeting. Xian, PRC. 8 June; Memorandum of Understanding on the Information Superhighway. Nay Pyi Taw, Myanmar; and various reports on the GMS Business Alliance and E-Commerce Cooperation Platform.

Source: Asian Development Bank.

## **The Ha Noi Action Plan 2018–2022**

The Ha Noi Action Plan 2018–2022 (HAP) addresses the unfinished and expanded agenda of the Greater Mekong Subregion (GMS) Economic Cooperation Program for the remaining 5 years of the GMS Strategic Framework 2012–2022. The HAP provides directions and operational focus to the GMS program and guides identification of projects in transport, urban development, energy, agriculture, environment, tourism, trade facilitation, human resource development, and information and communication technology. The HAP's key elements are: spatial strategy focused on economic corridors; refinements in sector strategies and priorities; improvements in planning, programming, and monitoring systems and processes; and enhancements in institutional arrangements and partnerships.

### **About the Asian Development Bank**

ADB's vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries reduce poverty and improve the quality of life of their people. Despite the region's many successes, it remains home to a large share of the world's poor. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

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### **About the Greater Mekong Subregion Economic Cooperation Program (GMS)**

The Greater Mekong Subregion (GMS) is made up of Cambodia, the People's Republic of China (specifically Yunnan Province and Guangxi Zhuang Autonomous Region), the Lao People's Democratic Republic, Myanmar, Thailand, and Viet Nam. In 1992, with assistance from the Asian Development Bank and building on their shared histories and cultures, the six countries of the GMS launched a subregional economic cooperation program—the GMS Program—to enhance economic relations initially covering nine priority sectors: agriculture, energy, environment, human resource development, investment, telecommunications, tourism, transport infrastructure, and transport and trade facilitation.



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